

FORTY-FIRST DAY

(Tuesday, March 21, 1933)

The House met at 9:30 o'clock a. m., pursuant to adjournment, and was called to order by Speaker Stevenson.

The roll was called, and the following Members were present:

Mr. Speaker.	Hicks.
Adamson.	Hill of Brazoria.
Aikin.	Hill of Webb.
Alexander.	Hodges.
Alsup.	Holekamp.
Anderson	Holland.
of Bexar.	Holloway.
Anderson	Hoskins.
of Johnson.	Huddleston.
Baker.	Hughes.
Barrett.	Hunt.
Beck.	Hyder.
Bedford.	Jackson.
Bourne.	James.
Burns.	Jefferson.
Butler.	Johnson
Calvert.	of Anderson.
Camp.	Jones of Atascosa.
Canon.	Jones of Runnels.
Cathey.	Jones of Shelby.
Caven.	Kayton.
Chastain.	Kyle of Hays.
Clayton.	Kyle of Palo Pinto.
Colson.	Laird.
Coombes.	Latham.
Cowley.	Lemens.
Crossley.	Leonard.
Daniel.	Lindsey.
Davidson.	Long.
Dean.	Lotief.
Devall.	Magee.
Dunlap.	Mackay.
Dunagan.	Mathis.
Duvall.	McClain.
Dwyer.	McCullough.
Engelhard.	McDougald.
Fain.	McGregor.
Few.	McKee.
Fisher.	Merritt.
Ford.	Metcalfe.
Fuchs.	Mitcham.
Glass.	Moffett.
Golson.	Moore.
Good.	Morrison.
Goodman.	Morse.
Graves.	Nicholson.
Greathouse.	Palmer.
Griffith.	Parkhouse.
Haag.	Patterson.
Hankamer.	Pavlica.
Harman.	Pope.
Harris.	Puryear.
Harrison.	Ramsey.
Hartzog.	Ratliff.
Head.	Ray.
Hester.	Reader.

Reed of Bowie.	Stinson.
Reed of Dallas.	Stovall.
Renfro.	Sullivant.
Riddle.	Tarwater.
Roberts.	Tennyson.
Rogers of Hunt.	Thomas.
Rogers	Tillery.
of Ochiltree.	Townsend.
Rollins.	Turlington.
Ross.	Van Zandt.
Russell.	Vaughan.
Savage.	Wagstaff.
Scarborough.	Walker.
Scott.	Weinert.
Shannon.	Wells.
Shults.	West.
Smith.	Winningham.
Stanfield.	Wood.
Steward.	Young.

Absent

Barron.

Absent—Excused

Bradley.	Munson.
Johnson	
of Dimmit.	

A quorum was announced present.

Prayer was offered by Rev. Geo. W. Coltrin, Chaplain.

LEAVE OF ABSENCE GRANTED

Mr. Munson was granted leave of absence for today on account of important business, on motion of Mr. Fain.

HOUSE BILLS ON FIRST READING

The following House bills, introduced today, were laid before the House, read severally first time, and referred to the appropriate committees, as follows:

By Mr. Stinson:

H. B. No. 837, A bill to be entitled "An Act conferring upon courts of record the power to render declaratory judgments within their respective jurisdictions; the power to construe contracts either before or after a breach thereof; with power to refuse to render such declaratory judgment; and providing for appeal from and review of such orders, judgments, and decrees of such court as in other cases; and providing for the award of costs in such proceedings; and declaring an emergency."

Referred to Committee on Judiciary.

By Mr. Smith:

H. B. No. 838, A bill to be entitled "An Act extinguishing and releasing all State and county ad valorem taxes which were levied and assessed for the year 1920, or any year or years prior thereto, and which are now delinquent, except where the same have heretofore been reduced to judgment; and declaring an emergency."

Referred to Committee on Revenue and Taxation.

BILL RE-REFERRED

Mr. Engelhard moved that House Bill No. 831 be withdrawn from the Committee on Public Health, and referred to the Committee on Agriculture.

The motion prevailed.

REPORT OF THE COMMITTEE ON OIL, GAS, AND MINING

On motion of Mr. Long, the following report of the Committee on Oil, Gas, and Mining was ordered printed in the Journal:

Committee Room,
Austin, Texas, March 13, 1933.

Hon. Coke R. Stevenson, Speaker of the House of Representatives,
Austin, Texas.

Sir: We, your Committee on Oil, Gas, and Mining, were instructed by the House of Representatives, on January 26, 1933, to investigate the enforcement of our conservation laws applicable to oil and gas especially; our authority being based upon House Simple Resolution No. 28. We have endeavored to comply with instructions of the House in the limited time, and with the limited expense money, that was given us by the House.

This Committee has directed most of its investigations to the conditions in the East Texas oil fields, and to the enforcement of the conservation and proration laws in that field. Numerous witnesses were called—some of whom came at the request of the Committee—others voluntarily appeared, others were subpoenaed and brought before the Committee for questioning.

We have questioned many of the Railroad Commission's employees who were in charge of the various departments that have been established by the Commission in that field, including those trusted with responsible po-

sitions under the Commission there. Several of the landowners, as well as royalty owners and operators, have appeared before the Committee.

In our opinion, by questioning the employees, land owners and operators in the field, we feel that a fair opportunity has been given that reveals conditions in this field; and it is largely upon this kind of testimony that we base this report—drawing such conclusions and deductions therefrom—as we believe the testimony will justify. We will take up the various important questions that appear to be of vital importance and discuss them, and give briefly our conclusions upon each:

General View of the Physical Conditions in this Part of the Oil Field

Mr. Luther Swift, who was deputy supervisor of this district for approximately a year, and who was superseded in that capacity by Mr. Homer Pearson some time during the fall of 1932, testified that this field is from seven to ten miles wide, and around fifty miles long; that it is woodland, hilly and rolling, including farms and woodland pine trees and creeks, sweet gum trees, and all kinds of timber; that a large number of the derricks are removed when the wells are brought in; underneath the surface numerous pipe lines are placed, consisting of gathering lines leading to other connecting pipe lines, to refineries, to loading racks (for tank car shipments), many of them finally connecting with the large outgoing pipe lines; some of the pipe lines, especially the Atlas pipe line, which has a maximum capacity of between 28,000 and 30,000 barrels per day, runs from this field into the State of Louisiana; that during the time that he had charge of the field as deputy supervisor he had under his employment, which included the various departments there, some forty men; that he turned into the Commission over one hundred and seventy-five complaints—of various and divers kinds. The testimony further reveals that Mr. Homer Pearson was placed in direct charge of the field in the late fall of 1932, and that he increased the number of men in the field up to, from 120 to 130 men, and it further reveals that one of the said Commissioners, Ernest O. Thompson, has

been devoting part of his personal presence and attention to the field for the past month or more.

Testimony further reveals that one of the main reasons given by the Commission and employes that testified as to why there had been so many violations and why they had been unable to stop many of them, was due to the fact that injunctions, both Federal and State, principally Federal, had been granted against the Commission (and while militia was there, also against the Governor, military officers, and Adjutant General); and that by reason of the granting of such injunctions, enforcement of the proration laws has been severely handicapped. (It might be said here that most of the said injunctions, while they attempt to restrain those enjoined from certain things, one of the main things was that they should not be allowed to interfere with the operator or whoever procured the injunction from the lawful operation of their property.) Interpretation of what one of the judges meant by the lawful operation of their property was procured by Colonel L. S. Davidson, to the effect that injunction did not mean to have banned the employes and those enjoined from going upon the property and ascertaining whether it was being lawfully operated. Most of the injunctions that were procured attack the conservation and proration laws, but in addition severely questioned the rules and orders passed by the Commission under the law. We believe we are correct in stating that no court, either State or Federal, has thus far held that the conservation and proration laws of the State were invalid, but some of the courts, especially the Federal court, have held that the rules passed by the Commission exceeded their power and authority of the delegation to the Commission under the law by the Legislature. These rules, apparently, whenever attacked, have been stricken down. All penalty suits filed and in process of file, to the amount of more than a million dollars, have fallen when a rule or rules upon which they have been based have been stricken down by the courts. Testimony further reveals that a large number of injunctions have been procured of late by the Commission, through the Attorney General's Department, enjoining alleged violators

of the rules, especially the rule that has to do with the daily allowable fixed by the Commission as to the number of barrels of oil that can be run in one day from one well. In this connection, this Committee regrets to report that the testimony reveals that some of the violators, that is, a large number of them, against whom such injunctions have been procured, have paid but little attention to such injunctions; it further reveals that some of these parties have been cited to appear for contempt in the courts where the injunction was procured.

The Personnel of the Railroad Commission Employes in the East Texas Field

Mr. Homer Pearson, who is in charge of the East Texas field for the Commission, and who has been in charge of the field since October 1, 1932, was questioned at length as to the personnel and the experience of the men prior to the time they were employed in the East Texas oil fields.

Mr. Pearson has been with the Commission about eight years, and prior to the time he went to work for it he was a clerk under Mr. Lon Smith in the Comptroller's office; that he had had no previous oil field experience prior to the time he went to work for the Commission. He first started in as assistant deputy supervisor in the Luling field, without any experience at all. It is the conclusion of this Committee that a more experienced man should have been secured to discharge the duties of the responsible position entrusted to him. We feel like a man holding this position should have had experience in the operation of pipe-line work, and practically all parts of the oil business, to approach the qualifications of being able to successfully enforce the proration laws in the East Texas oil field.

At this time there are approximately 120 employes in the East Texas oil fields. Exclusive of the automobile mechanics and stenographers, there are 111 men engaged in the enforcement of the conservation law in said field. Of this number, according to the testimony of Mr. Pearson, sixty-four of the 111 have had no previous oil field experience whatsoever, leaving forty-seven men that have had some experience in the oil field. Of the forty-seven who have been given

credit for having previous oil field experience, some of them had only a few months of experience, and many of them had only two or three years' experience.

Your Committee is of the opinion that the main reason that the proration laws have not been more efficiently enforced in this field is because a big majority of men employed there have had no previous experience in the oil field. We think the above fact has been one of the main factors in breaking down the morale among the large number of operators and land owners in the field. We think that when the State undertakes to regulate as important an industry as this, that it should secure, and we believe it can, experienced employees. We further believe that had the Commission employed experienced men in this field, there would not be the degree of dissatisfaction among the operators and landowners and the Commission that now exists.

We believe that we are justified in saying that the Commission, in securing the kind of men that it now has in this field, especially the large number of inexperienced men, have likely done so with the view of helping to pay political debts. The above condition is further strengthened by the fact that within a few weeks after the last election a large number of new men were put to work, approximately from 50 to 60, with scarcely any oil field experience.

Other Losses to the State

Judge Hughes, who has been county judge of Gregg County for the past twelve years, and who just retired from office the first of this year, and who is an old resident there, and who owns land in fee, testified that, in his judgment, the minimum of oil going out of the field in excess of the daily allowable would be 100,000 barrels per day. This Committee called attention to the fact that while it thinks that there is much more excess oil going out than the minimum amount fixed by Judge Hughes, yet, if you figure the 2 per cent gross production tax on 100,000 barrels per day on the basis of 50 cents per barrel, it would be \$1,000 the State is losing from gross production tax alone daily, which would approximate more than a third of a million dollars per year.

Complaints Reported by Mr. Luther Swift That Were Not Reported to the Attorney General

Mr. Luther Swift was in charge of the East Texas oil field in the fall of 1931 until the fall of 1932. Mr. Swift furnished to the committee a list of 175 complaints. They are reported in his testimony further on (pages —). He states that he reported these complaints to the Commission in Austin during the time he was in charge of the East Texas field, and fifty more he had also reported, of which he did not have a record. Mr. R. D. Parker, chief supervisor of the Oil and Gas Division, by affidavit, made on the twentieth of February, 1933, stated that Mr. Swift had sent into his office only sixty-four complaints.

This leaves a balance of more than one hundred and twelve complaints that Mr. Swift turned into the Commission's office that apparently were never reported to the Attorney General's Department, and that must have been either pigeon-holed in the East Texas office, or in the Austin office. This startling testimony shows that there must have been considerable lack of co-operation between the office here at Austin and the East Texas office, then under supervision and control of Mr. Swift, who was then its deputy supervisor. This Committee is unable to tell what became of the 112 other complaints, which, apparently, did not get to the Railroad Commission's office here in Austin. These complaints may not have all been sufficient to have based legal action upon, but certainly they should have been presented to the proper and constituted authorities on such action as the facts in said complaints, together with such other facts which could be had, would warrant.

Report From Pipe-line, Refinery, and Loading Racks

The Commission entered an order on May 28, 1932, effective June 15, 1932, providing for daily reports from every producer, transporter, and refiner, owning or operating refineries, pipe lines, loading racks, or oil trucks, to make daily reports showing their receipts, deliveries, and stocks of crude on hand. According to the best estimates and check that we could get, the Commission has reported to the

Attorney General eighteen cases of companies not making the required reports. Of the eighteen cases reported, the majority of them were not reported until during the months of December, 1932, and January, 1933. We have been furnished with no plausible excuse why the Commission would have waited some six or seven months to report the companies that it did report.

According to the best information that the Committee could secure, there are 19 pipe lines, 8 loading racks, and 14 refineries operating in the East Texas field that are not making the reports as required by the Commission, and none of these have been reported to the Attorney General's Department, so far as we can find out, for legal action. There is no earthly excuse for this condition to be existing in the East Texas oil field, for this order has been in effect eight months, and for the past four months the Commission has more than doubled the number of employees it has in the field. We think the time has already arrived, in fact, long past, when these companies should either start complying with the Commission's orders, or should, at least, be reported to the Attorney General's Department, with a request for action forthwith.

It is easy for the average thinking mind to wonder why the proration and conservation laws relative to oil are not being efficiently enforced in this field; for when you come to think of forty different outlets for oil that are not making reports as required by the Commission, through its orders, and no action taken to make them do so, with such a condition neither the Commission nor anyone else can very well determine who is producing the excess oil, and who is transporting the excess oil, when these many companies have refused to comply with orders, and so far very little, if anything, has been done to make them do so. This most astounding situation of the conditions now existing in the field, your Committee thinks, are alone sufficient reasons why the landowners, producers, and operators in that field are dissatisfied with the way in which the Commission has attempted to enforce the conservation laws of this State.

Meters on Lines Going to Refineries

On May 28, 1932, the Commission passed an order requiring all refin-

eries receiving oil through a pipe line to place a meter on the line so that the Commission could tell how much oil was coming into the refinery. This order went into effect finally on or about July 15, 1932. Your Committee thinks that this meter order was one of the most important ever promulgated by the Commission, and that, above all orders, it should have been rigidly and most strenuously enforced; it has had eight months in which to enforce this order, and, at the present time, there are approximately twenty-five refineries in the East Texas oil fields that have no meters.

The penalty of violating the meter order of the Commission is a maximum of \$1,000 a day. Under this order approximately \$4,200,000 of penalties are due the State, by reason of the failure to comply with the order.

Of the number reported to the Attorney General's Department, five were not reported until January of this year. This Committee does not understand why the Commission waited seven months, or until the convening of this Legislature, to report these refineries for not complying with the meter order.

Some few of the refineries have been reported to the Attorney General's Department for violation of this order, and the Attorney General has filed suit in these particular cases, and in some cases the refineries have complied with the order and have put in the meters. However, at the present time, there are sixteen refineries in that field that have no meters, and the Commission has never reported them to the Attorney General's Department. We wish to again repeat, with emphasis, that we are unable to understand why they have not done so. For instance, one witness testified that one pipe line transported, during the months of July, August, and September, 1932, over 400,000 barrels of oil, which they were able to estimate from the number of connections into this pipe line from the gauging of wells connected to pipe lines connecting with it. Mr. Clyde Parrish, a former employe of the Railroad Commission, who had to do for awhile with the okehing of tenders of oil for shipment, testified that if there has been meters at the refineries, on the loading racks and on the rest of the pipe lines, it would have been of much assistance in passing on

the tenders. You could tell exactly the amount of oil going out of the refinery loading racks, and of pipe lines going out of the field, if they had meters on them. (Vol., page 1117.)

Meters on Loading Racks

The Commission passed an order on May 28 requiring meters to be placed on loading racks (these are the racks from which they load the oil, mainly to tank cars for railroad shipment). This order went into effect on July 15, 1932, and there are approximately twenty-five loading racks in use in the East Texas oil field. Of this number, only three have meters on them, and only a few have been reported to the Attorney General's Department for legal action. At this time there are eighteen that have no meters and have never been reported to the Attorney General's Department for legal action. The Commission has had eight months to report these loading racks to the constituted authorities and request that legal action be taken against them.

We find that one of the main troubles in the field is the shipment of excess oil out of the field in railroad tank cars. Mr. J. A. Fenelon, one of the employees of the Commission in charge of checking tank car shipments, testified before the Committee that 90 per cent of the oil shipped out by tank cars was unaccounted for to the Railroad Commission (page 234). In other words, 90 per cent of the oil shipped out by tank cars is produced in excess of the Railroad Commission's allowable. The tank car shipments in this field have materially increased in the past few weeks, some days as high as 60,000 and 70,000 barrels per day. This presents a most deplorable situation. The question has been raised that a great deal of oil so shipped in this manner is for interstate commerce, and that the Commission has no jurisdiction over same. This may be true, yet the placing of meters on these loading racks, as we view it, is not a question of interstate commerce. There are approximately eighteen loading racks that do not have meters on them, and they have not been reported to the Attorney General's office.

Mr. W. P. Woods, Commission employe in charge of the pipe line department, testified that he was only handling the pipe lines that were

transporting oil out of the field. Mr. Fenelon, the loading rack man, testified that he had nothing to do with the pipe line leading to the loading racks, but that was in the pipe line department. (Page 240.) Mr. Fenelon testified that all he did was to go to the railroad station and get the amount of oil shipped, the consignor, consignee, etc. (Page 240.) This information would be of no benefit to anyone, for in most cases the consignor is not the producer of the oil, and very little, if any, information would thereby be obtained as to what well or lease the oil came from, and whether or not it was produced in compliance with the daily allowable order. So far as this Committee could find out, the above was about all that was being done toward checking the oil that was being shipped out in tank cars. The Commission has been given authority to regulate the pipe lines operating in the State and in that field, yet so far as we have been able to find out, in this field no effort of any consequence has been made to enforce the order of pipe line leading to the loading racks. We are unable to determine how the Commission would determine the number of storage tanks on the lines leading to the loading racks, or doing anything in any manner to find out where the oil shipped out by the loading racks was coming from, nor why have they not required these meters to be placed on loading racks so that it could then be checked back from the pipe line leading to the loading rack to the various connections in the field of this pipe line to the wells it gathered oil from; for had there been meters then the number of barrels of oil could have been determined from day to day by proper reading, and then the number of wells connected with such pipe line and their allowable could be figured to determine how much, if any, excess oil would be going through these pipe lines into the loading racks and thence to tank car shipments.

The penalty for violating the meter order is \$1,000 per day. Under this order alone, as applicable to loading racks, the penalty of failure to install meters, accruing to the State, will approximate \$4,000,000.

Pipe Line Permits

General Rule 36 of the Railroad Commission provides in brief that no

pipe line company shall operate in this State without a permit from the Railroad Commission of Texas. This order was adopted November 25, 1919, and has not been changed in any manner to the present date, although the Legislature has amended the pipe line law several times since that date. The Forty-second Legislature amended Article 6049-a by enacting Section 8-c to provide the following:

"Section 8-c. No person, association of persons, or corporations, whether a common carrier or otherwise, shall be permitted to transport crude oil or petroleum in this State unless such crude oil or petroleum has been produced and is purchased in accordance with the laws of the State of Texas and on any order, rule, or regulation of the Railroad Commission made in pursuance thereof."

This section was enacted by the Legislature mainly to prevent a pipe line from transporting or purchasing oil in excess of the Railroad Commission's allowable.

Mr. Parker made an affidavit and furnished the Committee the following statement:

"The fact is, Rule 36 should perhaps be amended to bring it more in conformity with the present conditions, though the efficiency and enforcement of the proration would not be permitted in such an amendment, nor is the conservation of proration efficient, sacrificed by failure to require all pipe lines to have permits under the rule."

The fact still remains, however, that various Legislatures have enacted laws giving the Commission more power to control the pipe lines operating in this State, and the Commission has failed to change its orders to comply with the laws enacted by the Legislature. According to the Commission's own statement, there are sixteen pipe lines operating in the East Texas oil field that do not have permits to operate from the Railroad Commission, and it has done nothing so far as we are able to ascertain to require these sixteen companies to secure a permit or certificate or in any way to comply with Rule 36. There is testimony in this record, though startling as it may be, disclosing that one pipe line in that field

which has been credited with violating rules and orders almost constantly, was unknown. There is testimony that discloses that some pipe lines operating in the field as gathering systems or short lines, the names of which are unknown, and the names of the owners unknown. It should be borne in mind that without some way to keep proper check on the pipe line, know who they are, and require them to comply with the orders, that much oil can get out of the field as has been doing without the Commission knowing anything about it. You can count the daily tank car shipment, you can ascertain the maximum capacity of all refineries daily. You can do these two things mathematically, but without meters or some way of checking and keeping a record of these various underground mesh of pipe line, there is no way of telling how much oil is handled through them, especially those that do not comply with the orders. It is well known that pipe lines can take a great deal more of oil from this field than the railroads; for instance, if all the oil that could be taken out of the field per day, including that consumed by refineries, approximately 1,200,000 barrels per day; of this amount not more than _____ barrels can be used by the refineries; not more than _____ barrels and _____ tank cars can be transported by the railroad (such cars having an average of about 240 barrels per car). The rest of the oil that would make up this enormous amount must necessarily get out of there through pipe lines, because what little oil trucks haul out is infinitesimal compared with the oil handled through these other above-named agencies.

Political Activities

S. M. Semple, whose testimony is found in Volume 10, commencing on page 528, testified among other things that he was asked during the last campaign to make a trip to West or Central Texas; was gone about five days (538); that he distributed literature while on his vacation (539); he went to Jack County, Eastland, Graham, and Breckenridge; he also attended a campaign meeting in Dallas at the Adolphus; that Dave Davenport, an employe, was there; that Carl Estes was

there (541-542); that K. B. Knox, another employe, was there; that Mr. Terrell was there; that he went there in a State car; that he remembers Pete Burton's, and Freeman Burford's (who have since been charged with violating the proration laws) names being mentioned at that meeting by possibly Carl Estes.

C. A. Davenport, whose testimony is found in Volume 10, commencing on page 1189, testified that he was told that Mr. Wright (V. O. E. Wright) made a hundred-dollar contribution to Mr. Terrell's campaign; that K. B. Knox, a Commission employe, said to go easy with him on account of that contribution (this same V. O. E. Wright was later sued by the State and the judgment recovered against him for failure to pay gasoline taxes, and the property was sold to the State under foreclosure); that he was at a political meeting in the Adolphus Hotel at Dallas; that Carl Estes, his brother, C. V. Terrell, Homer Pearson, Luther Swift, Mr. Moorehouse, Mr. Knox, Mr. Stanberry, and Sam Semple were there (all of whom were connected with the Railroad Commission in some way, except the Estes); that it was the general idea about helping Mr. Terrell and he told us (that is, Estes) what we should, and should not, do; should not cause any trouble out in the field to cause him not to be elected by giving violators too much trouble (1197); that Mr. Terrell was present and said nothing; Mr. Swift objected and said he, Terrell, would lose the race; that we must get the job done if we get him elected; Estes argued that the election was the most important and Swift argued that the job was most important (1197); that it was mentioned there about getting Satterwhite out of the race; something was said that it was thought that \$10,000 would do it; that he went back to East Texas with the view of trying to help raise some campaign money; that Mr. Estes was Mr. Terrell's campaign manager in East Texas.

The above and foregoing shows that employes and officials of the Railroad Commission were devoting their time not altogether in the faithful and efficient enforcement of the proration and conservation laws, especially applicable to East Texas oil fields, but on the contrary, some of

their time was given even at the expense of the State to maintaining public office.

Penalties That Have Accrued from Violating Commission Orders

Your Committee has made a conservative estimate of the amount of maximum penalties that have accrued to the State under the meter orders and under the orders requiring the various reports to be made to the Commission.

Under the meter order, there has accrued a maximum penalty of approximately \$8,200,000. Had valid orders been promulgated by the Commission since Mr. Pearson has been in the field, there would have been penalties due the State amounting to over \$436,000 for violating the Commission's orders, relating to overproduction. Of those cases which have been reported to the Attorney General's Office, there has accrued \$3,000,000 in maximum penalties, thus making what we believe to be a conservative estimate of penalties due the State of approximately \$11,600,000. If the Committee had undertaken to estimate the amount of penalties due under all of orders entered by the Commission, there would be many millions of dollars of penalties more now due the State. This is an astounding situation, the staggering amount due the State, and which it has apparently lost by reason of the writing of invalid orders and the failure to enforce other orders, some of which the validity has never been tested out, on the part of the Railroad Commission. Your Committee is of the opinion that if the conservation and proration laws of Texas mean anything, the orders should be rigidly enforced and legal action should be taken not only to collect penalties but to prevent the violation of any valid order passed by the Commission. Certainly if these penalties are not collected, or at least attempted to be collected, our conservation laws will continue to be violated with impunity. The present financial condition of this State, the clamor of a distressed and almost bankrupt people over high taxes should stop and pause at the stupendous amounts that are getting away from the State by failure to properly enforce the rules and regulations as applied to one of its greatest industries.

Conclusions

Your Committee is of the opinion that there was not the proper co-operation existing between the various offices that were established in the East Texas field and between these offices and the Austin office; for example, Mr. Swift testified that he reported over 176 complaints, while Mr. Parker's affidavit shows that he received only sixty-four complaints from Mr. Swift.

When Mr. Pearson was requested to testify about the various departments of which he was in charge in the East Texas field, he stated to the Committee that he had rather the Committee allow the men in charge of the various departments to testify themselves as to the conditions in the various departments. The heads of these various departments did not know what the other departments were doing and the Committee was unable to determine how the work of the various departments were coordinated or how they co-operated with each other in the enforcement of rules of the Commission. The man in charge of the loading racks did not know what the pipe line man was doing; the man in charge of the pipe line department did not know what the man in charge of the refinery department was doing; and, not any of the above—three knew what the meter department was doing, etc. The men in the field were never advised as to what action was ever taken on any complaint that they turned in to their superiors. The tender department was not advised of the complaints of overproduction that was turned in against the various leases, which, the Committee is of the opinion, should have been done by this department to have carried on their work efficiently.

The Commission, up until about a month ago, had their main office in Tyler, approximately thirty miles distant from the field. They had another office at Henderson; another at Longview; another at Gladewater; another one at Kilgore, and then one or two smaller offices out in the field. At all of these above offices, they had stenographers, and the office force of the entire field was scattered around in these various offices.

With such conditions existing in the organization, with various offices

scattered about over the field, and with one department not knowing what the other department was doing, and with the head of all these departments not being closely in touch with the activities of these various departments, it is not very difficult to see why the State's conservation laws have not been properly enforced in the East Texas oil field.

Several of the Commission's own employees testified before the Committee that violations of the Commission's rules and regulations were rapidly increasing. Several landowners appeared and testified of reporting numerous complaints to the Commission, of which nothing was ever done about them. These same landowners further testified that the Commission was failing to enforce their orders in that field and that conditions were rapidly becoming chaotic. They testified that if something was not done to endorse the orders of the Commission, that the people of East Texas would take the laws in their own hands, and that violence, instead of the law, would reign in that district. The above prediction is rapidly becoming a fact for, in the last few days, several pipe lines that have continuously violated the Commission's orders, have been dynamited and blown in two; also, several wells have been dynamited within the last few days. Several operators in the East Texas field appeared before the Committee, two of whom had been serving on the enforcement committee of the East Texas Producers and Royalty Owners Association, and these operators and landowners criticised the methods used by the Commission in the East Texas field. Others testified that conditions were rapidly getting beyond control and that the operators who had always complied with the rules and regulations of the Commission were becoming tired and impatient with the Commission's lack of enforcement and were opening up their wells to protect their property. Several witnesses testified before the Committee that the numerous operators in that field, who had always complied with the Commission's orders, were beginning to open up their wells in violation of the Commission's orders because of the fact that leases offsetting their properties had continuously violated the Com-

mission's orders for months, and that the Commission had not done anything about it, and had not, in any way, stopped them. It was testified before the Committee by employes of the Commission, landowners, and operators in the East Texas field that 95 per cent of the operators were in favor of proration and wanted to see the Commission orders enforced; and that the operators and landowners of that field had co-operated with the Commission, and assisted them all they could in enforcing their rules and regulations.

Your Committee can not understand why the Commission continues to allow 5 per cent of the operators in the East Texas field to completely demoralize the oil industry in the entire State and Nation. Your Committee realizes that it is a difficult task to enforce the proration laws in the East Texas oil field, which is an extremely large field, and is the most active field in Texas at this time. However, your Committee is of the opinion that the Commission could have come nearer solving the problem if they had placed more competent and experienced men in that field; and, if they had so organized that district so as to secure better co-operation among the various departments of that field; that if they had diligently and rigidly enforced their own orders; that had they caused meters to be put in; that had they written valid orders so as not to be enjoined, and while enjoined, run wide open, and finally such rules and orders to be stricken down by the Federal courts, losing the penalties incurred; causing those who were trying to live up to proration to lose confidence in them; affording a wider and more insecure avenue for those desiring to violate. As a result of the policies of the Railroad Commission, pursued in the field, public confidence has been so shaken in their ability to enforce the proration laws, or the lack of their desire to do so in an efficient manner, that unless radical changes are resorted to, the life of this great oil field (perhaps the largest in the world) will be short-lived; the operators and landowners, who are trying to live up to the proration laws, property rights will be materially impaired, if not lost, and a large and most needed revenue to the State will in a large measure be gone.

Conditions in the Panhandle Field

The Panhandle gas and oil field is approximately one hundred and twenty-five miles long, and from 5 to 30 miles wide, containing 1,340,000 acres of oil- and gas-bearing lands. In this field there are 990,000 acres of sweet gas, or gas that can be used for light and fuel purposes.

It has been estimated by competent engineers that there is sufficient sweet gas in that field to furnish the whole State of Texas with gas for light and fuel purposes for over a hundred years at the State's present rate of consumption.

The Railroad Commission of Texas was given authority to establish oil and gas ratios in this State in August of 1931. They were given this authority over a year and five months ago, yet during this period of time there are wells in that field producing and wasting over 24,000,000 cubic feet of gas per barrel of oil. There are many wells in that field wasting as much as 10,000,000 cubic feet of gas per barrel of oil. Many of the wells in that field are improperly completed so that more oil may be produced and such wells are mainly responsible for the enormous gas waste in that field.

Wells that are properly completed have an oil and gas ratio from 2,500 to 3,500 cubic feet of gas per barrel of oil.

The above facts are given to show the absurd conditions that are existing in that field. Although the Commission has had the authority since August of 1931 to establish oil and gas ratios, they did not attempt to exercise this authority in the Panhandle field until December 30, 1932, when they passed an order providing that any well that was connected to a casinghead plant could produce and waste 5,000,000 cubic feet of gas per barrel of oil. The Committee is of the opinion that this order is ridiculous on its face.

Since January of this year, the Commission has started issuing stripping permits to operators in that field, allowing them to produce as much gas as they want, provided the gas is processed through a casinghead plant and the balance, which is dry, usable, and sweet gas, to be burned for carbon black or blown into the air. In other words, the Commission has even abandoned

their only feeble attempt to establish oil and gas ratios in that field, and the field is now practically wide open in so far as gas waste is concerned.

There is now being wasted in the Panhandle field over 800,000,000 cubic feet of gas per day, and this amount has been wasted every day since the field has been in operation. This staggering amount of gas waste, that is going on every day in the Panhandle field alone, is over twice as much gas as there is consumed in the entire State of Texas each day.

If you take the B. T. U. value, or in other words, the heating value of the gas wasted in that field in the terms of oil, there has been more gas wasted in the Panhandle up to the present time than there has been oil produced in that field. If you take the amount of gas wasted in that field in terms of heating value in comparison to coal, there has been enough gas wasted in that field to fill eight tracks of box cars of coal extending from Texarkana to El Paso.

The Committee feels that the above facts should be of interest to all Members of the Legislature, whether they are interested in oil and gas legislation or not, for surely this Legislature does not want to sit around and allow the gas resources of this State to be wasted.

The States of Louisiana, Indiana, and Ohio once had enormous gas resources, but those States idly sat by and allowed their resources to be destroyed within a few years' time, and those States are now buying gas produced in Texas.

It was testified before the Committee, that if the present conditions in the Panhandle field are allowed to continue, that the gas in that field will be exhausted in the next twelve to fourteen years, while if the gas is properly conserved, there is sufficient gas in that field to supply this State for approximately one hundred years.

The Committee is of the opinion that the Railroad Commission of Texas has been grossly derelict in its duty for not stopping or attempting to stop the enormous gas waste in the Panhandle field.

Respectfully submitted by your
COMMITTEE ON OIL, GAS, AND
MINING.

MINORITY REPORT OF THE COMMITTEE ON OIL, GAS, AND MINING

On motion of Mr. Burns, the following minority report of the Committee on Oil, Gas, and Mining was ordered printed in the Journal:

Committee Room,
Austin, Texas, March 15, 1933.

Hon. Coke Stevenson, Speaker of the
House of Representatives, Austin,
Texas.

Sir: We, the undersigned members of the Committee on Oil, Gas, and Mining, instructed by the House of Representatives, on January 26, 1933, to make an investigation of the conservation laws of this State, as provided in House Simple Resolution No. 28, beg to report as follows:

The hearing commenced on the sixth day of February, 1933, and concluded on March 10, 1933, under the supervision of Mr. Bob Long, Chairman of the Oil, Gas, and Mining Committee, and was devoted entirely to the investigation of conditions in the East Texas oil field, and the enforcement of the conservation and proration laws in that field, except one witness, who was called to testify with reference to the Panhandle gas field.

Witnesses called were of three classes: employes in charge of the various departments established by the Commission in the East Texas field; ex-employes of the Railroad Commission, and a few landowners and operators in the field.

The testimony elicited was principally hearsay and opinion evidence, and after this character of testimony had been received for a week, some of the members of the Committee objected, and after a discussion before the whole Committee, a resolution was passed providing that the rules of evidence prevailing in the district courts of Texas should be observed in the further conduct of the hearing, but this resolution was ignored by the members of the Committee conducting the hearing and for the balance of the hearing, as at the outset, it was principally hearsay and opinion evidence.

An examination of the record of testimony in this case, aggregating more than 1,800 pages, will show that the East Texas oil field is the largest

oil field in the history of the world, comprising more than 120,000 acres, and a territory seven to ten miles wide, and approximately forty miles long. This field has a potential production of from 3,000,000 to 5,000,000 barrels of oil per day, open flow, which is far in excess of the entire per day consumption in the United States, said consumption being at this time 2,100,000 barrels per day.

The East Texas oil field was placed under martial law by the Governor of Texas on August 17, 1931, and continued under martial law until the decision of the Supreme Court of the United States in November, 1932, which struck down the martial law in that territory. During the fourteen months from August, 1931, to November, 1932 (the period of martial law) the number of wells in East increased from 1,500 to more than 9,500 wells, an average daily increase of eighteen wells per day during the fourteen months. The evidence further shows that the military authority, notwithstanding their unlimited powers and strenuous efforts, with at one time as many as 1,200 men in the field, were unable to enforce proration in East Texas because of injunctions issued out of the Federal courts preventing them from doing so. During the period of military occupation of this oil territory, the Railroad Commission of Texas worked in co-operation with the military authorities in an effort to enforce proration, but their efforts, like those of the military authorities, were impeded by Federal court injunctions.

The evidence further shows that when the martial law ceased in East Texas, and it became necessary for the Railroad Commission to take over entirely the enforcement of conservation laws in that territory it was necessary for the Railroad Commission of Texas to put additional men in the territory, both for the reason of the loss of military assistance, and the vast increase in the activities of the field during the fourteen months, above referred to.

The evidence further shows that there have been hundreds of lawsuits both for and against the Railroad Commission of Texas growing out of its efforts to enforce proration in the Federal courts and State courts, and that the Attorney General of Texas and his assistants have been conducting all this litigation as efficient-

ly and expeditiously as humanly possible.

The evidence shows that there are thirty-two oil refineries and eleven reclaiming or skimming plants in East Texas, fifty-one pipe lines and forty-eight loading racks, and that many of these pipe lines and refineries have restrained the Commission by injunction from examining their records or requiring reports, or going on their property and interfering with them in any way in the operation of their industry.

It is stated in the proposed report of date March 13, read to the Committee by Mr. Bob Long on the night of March 14, that one of the Federal judges told Colonel L. S. Davidson that the effect of the injunction did not mean to ban employes and those enjoined from going on the property and ascertaining whether it was being lawfully operated. This statement is based upon the testimony of the witness that he was told that Judge Bryant verbally stated that to Colonel L. S. Davidson. Whether he did or not make such statement to Colonel L. S. Davidson, certainly such a verbal statement would not warrant any employe of the Railroad Commission of Texas from going on the property and checking it in the face of a written injunction which "restrains the Railroad Commission and its employes from going upon the property or interfering in any way with its operation."

We believe that any fair and impartial consideration of the 1,800 pages of testimony introduced at this hearing will convince any impartial man that the failure to strictly enforce proration has been due to the restraint placed upon the Railroad Commission and its employes, as well as the military authorities during their occupation by injunctions issued out of courts, and that the situation is fairly stated by Judge W. R. Hughes, who has been County Judge of Gregg County for the past twelve years, and who retired from that office the first of this year, in the following testimony:

"The proration law, as it is written, is not now being enforced wickedly. Its enforcement is not due to lack of a faithful effort on the part of those who have it in charge to enforce the law. I have great respect for the Commission and especially

for Colonel Thompson, and believe that he is making a sincere effort to do everything possible, and I think most of the other railroad employes in Gregg County are doing everything they can to carry out the enforcement of the law. We have a lot of violators over there and are going to have as long as the present law is in effect because there are so many loopholes in the law through which they can escape that I do not believe we are going to get very much relief under the present law because under the present law it can not be effectual.

"The trouble is this: They go out and find these violators and try to stop some of them by injunctions, but they do not stop or can not stop them, and they continue in defiance of the Railroad Commission's rules and orders to run wide open. There are a lot of people out in the field and running excess oil and, under the present law, I don't see any way to keep them from doing it."

As stated in the proposed report, read to the Committee by Chairman Long, a large number of injunctions has been procured by the Commission, through the Attorney General's Department enjoining violators of its rules, and that a large number of them against whom said injunctions have been procured, have paid but little attention to such injunctions, and that some of these parties have been cited to appear for contempt of court in the courts where these injunctions were procured.

It is apparent therefore that the remedy of injunction is not adequate to meet the situation, and that penal laws should be passed, such as suggested by Judge Hughes in the following testimony:

"I think the time has come when it is necessary that something must be done. I think that the Railroad Commission has done everything that it is possible for them to do under the present law. I think that the only way the situation can be remedied over there and prevent the overproduction and protect the royalty owner's interest, which is something that must be done, that is going to be necessary to make it a penitentiary offense for any operator to overproduce a well. I think it would be well if this Legislature could do so, under the Constitution and laws of

the State, to make a specific offense of a number of violations that occur more frequently so you could, when you detect them in the violation of these specific acts, return indictments against them and be able to penalize them in such a way that it would have a salutary effect, and that would, to a large extent, allay the dissatisfaction that is attendant upon the present situation over there at this time. I believe that if a law of that kind should be enacted and rigidly enforced, that the violation would cease to a very large extent, and I believe that it would be the salvation of that oil field, and unless something can be done that will give the lease owners relief and the landowners relief and relief to the royalty owners and protect the property of the royalty and landowners underneath the ground from being drained by some other fellow who is not living up to the provisions of the law; unless something like that can be done, I am not in a position to state what the situation may come to. Another thing, I think that there should be some provision in the law by which these complaints could be filed with the county or district attorney, in the district where the offense is committed, without the necessity of having to come to Austin or to some other place as under the present law for them to get relief."

There is nothing in the evidence introduced in this case to warrant the suggestion in the proposed report of Mr. Bob Long that Mr. Homer Pierson, who is in charge of the East Texas field for the Commission, had not had sufficient experience to qualify him for the position. The evidence shows that Mr. Pierson has had eight years previous experience in the oil fields of Texas as a Commission employe, and there is no evidence in the record to show that the enforcement of proration laws in East Texas have failed in any respect because of any alleged lack of experience on Mr. Pierson's part or any other employe in the East Texas field. The evidence shows that a large number of employes in East Texas are engaged in keeping office records, checking tank car movement, and the handling of oil by trucks and that of the 120 employes in the East Texas field, not more than forty-five are engaged in work requiring oil field experience, and

that there are ample employes with such experience to take care of all such technical details. The evidence in the case shows that the men checking railroad stations and tank car movements are men with previous railroad experience; those engaged in checking refineries are men with previous refinery experience, and those engaged in the business of supervising pipe lines are men with previous pipe line experience, and that those engaged in the supervision of drilling oil wells in accordance with the rules and regulations of the Commission are men with previous experience in the drilling of oil wells. There is no evidence whatever in the record to warrant the statement in the report prepared by Mr. Bob Long that the men employed in the East Texas field, who are not experienced oil men, have been employed with a view of helping pay political debts, or that the large number of men put to work in November were put to work for political reasons, but on the contrary the evidence does show that the Commission's forces in the field were increased by reason of the fact that martial law was abolished, and Commission was required to take over the entire job of enforcing proration, and moreover there had been a vast increase in the number of wells drilled, and in operations in the field as hereinabove pointed out.

The evidence shows that an Assistant Attorney General was located at Tyler in the fall of 1932, with his office convenient to the office of the Railroad Commission at that point, and that many complaints were handled with him direct and that there is, therefore no basis for the conclusion that 112 complaints turned in by Mr. Swift to the Commission's office at Tyler were never reported to the Attorney General's Department simply because the records in the Austin office of the Railroad Commission only show sixty-four complaints reported through that office. While the Attorney General's office has not filed with the Committee complete statement of the litigation in an effort to enforce proration the evidence does show that hundreds of complaints were filed with the Attorney General by the Railroad Commission, and its employes, and that hundreds of lawsuits both for and against the Commission have been filed and that many of these lawsuits

were filed against pipe line companies and refineries and that many pipe line companies and refineries have also filed suits against the Commission and obtained injunctions against them. Certainly there could be no cause for criticism of the Railroad Commission of Texas with reference to requiring pipe line reports and refinery reports in the face of all the litigation arising out of its efforts to enforce proration.

Evidence in this case shows that numerous lawsuits have been filed by the Attorney General against refineries on complaints of the Railroad Commission to require such refineries to put in meters and also that numerous refineries have obtained injunctions to restrain the Commission from interfering with them in any way, and there is nothing in the evidence to indicate that the Railroad Commission has failed to file with the Attorney General a complaint against any pipe line company which did not have the Commission restrained by injunction, and in the absence of such evidence there is no warrant for any criticism of the Commission existing with reference thereto. All that we have said about meters on pipe lines generally applies with equal force to meters on pipe lines leading to the loading racks. There is no evidence in the case to show which of such pipe lines have restrained the Commission by injunction or any evidence to show that the Commission has failed to report any such pipe lines where not restrained by injunction.

One of the difficulties confronting the Commission in enforcing proration in the East Texas field arises out of the fact that the Commission cannot interfere with the shipment of oil by tank cars in interstate commerce, and the railroads on interstate commerce have refused to require an approved tender from the Railroad Commission's representatives before moving such oil on the legal proposition that they are required to accept all oil offered them for interstate commerce without attaching any conditions to the acceptance thereof. Placing meters on pipe lines leading to the loading racks would only show the quantity of oil moved to the loading rack and constitutes no indication whatever of the source of the oil. It must be checked through the well meters and by the gauging tanks on the lease.

The amount of oil moved out by tank cars is now available to and obtained by the Commission from the railroad records, and the problem here, as in all instances of violations of Commission's orders, is stopping violations at the source of supply—the wells where the oil is produced and the violation occurs, and such violations, in our opinion, cannot be prevented until the Railroad Commission is freed of restraint by injunction and penal statutes are passed which will authorize jail sentences for violation of Commission's rules and regulations, fix a penalty of such character as to restrain violations of the Commission's orders and permit arrest on the spot through the authorized peace officers and immediate action in the local courts.

As explained by Mr. Parker in his affidavit with reference to pipe line permits, Rule 36 of the Railroad Commission requiring such permits was adopted, not in the nature of a permit to do business or as a franchise to a pipe line to operate as such (such a permit coming from the Secretary of State) but was adopted by the Commission to prevent waste in the operation of such a line, and the Railroad Commission, as explained by Mr. Parker in this affidavit, derives its power to control pipe lines operating in Texas from Article 6023, which authorizes the Commission to make all necessary rules and regulations for conservation and proration, and the Attorney General can enforce them by injunction or other adequate remedy, and by Article 6049-a, as amended by the Forty-second Legislature, which prohibits any pipe line transporting crude oil or petroleum unless produced and purchased in accordance with the laws of the State of Texas or any order, rule, or regulation of the Railroad Commission made in pursuance thereof.

The absence of a permit to operate the pipe line such as required by Rule 36 would not authorize the Railroad Commission of Texas to stop the operation of the pipe line, nor would it prevent the running of excess oil by such pipe line, and so long as such pipe lines can obtain injunctions prohibiting the Railroad Commission, as they have prohibited them, from

checking their records, the Railroad Commission of Texas is without power to prevent such pipe line from violating its rules and regulations.

No witness testified in this hearing who did not admit, when questioned with reference thereto, that the Railroad Commission of Texas could not enforce proration while restrained by injunctions, but on the contrary, testified that they could not do so until fortified by the enactment of penal statutes; otherwise it is extremely doubtful whether the conservation laws can be enforced.

There is no testimony in the record to warrant the conclusion that employes or officials of the Railroad Commission were neglecting the enforcement of the law to devote their time, in whole or in part, to politics; and while it is true that there is the evidence of several witnesses that they were soliciting the support of their friends for two of the Commissioners, who were candidates for office, that certainly should not be ground for criticising the Railroad Commission of Texas, since it is common practice and in accord with human nature for State employes to ask for support of those officials by whom they are employed.

Notwithstanding the fact that four or five employes who were present at a meeting in Dallas were asked about political conversations with Mr. Carl Estes, and especially as to whether Mr. C. V. Terrell was present, and none of them stated that he was there, except a discharged employe, C. A. Davenport, and none of them except the said C. A. Davenport testified to the alleged conversation, in the report offered by Mr. Bob Long, the testimony of this said C. A. Davenport is set out and no reference made to the fact that none of the employes present at the meeting corroborated him. This testimony is apparently set out in said proposed report for the purpose of reflecting upon Hon. C. V. Terrell as Railroad Commissioner. We hold no brief for Mr. Terrell, but we know him to be an honorable man and a respected public servant, who has held office in Texas for many years and who has enjoyed the confidence and respect of the people of Texas, and we protest against this manifestly unfair attempt to reflect upon him.

No member of the Railroad Commission of Texas was called to testify in this hearing, neither was the Railroad Commission of Texas or its counsel offered an opportunity to produce any testimony before this hearing. Out of the thousands of land and royalty owners and operators in East Texas, only a few were called to testify, and while most of them expressed dissatisfaction with the enforcement of the proration laws, they generally admitted that the Railroad Commission of Texas could not enforce said law so long as they were restrained by injunctions.

There is nothing in the record to indicate that the Railroad Commission of Texas has failed to do everything in its power to enforce the conservation laws of the State of Texas, but much evidence to show that proration is hard to enforce by reason of the difficulties above set out.

The estimate of the amount of penalties that have accrued under the meter order and orders requiring various reports to the Commission and for violations of the Commission's orders relative to over-producing is manifestly unfair because the evidence shows that there have been numerous injunction suits filed against the Railroad Commission of Texas, and it is a well settled principle of law in Texas that while a suit in good faith is brought to test the validity of the Commission's orders, penalties will not accrue pending the disposition of the suit. This principle of law is certainly ignored by your chairman in making this estimate.

The Railroad Commission of Texas, with the energetic assistance of the capable Attorney General, as the evidence showed, has done everything it can to enforce proration, but since proration presents a new theory of property rights, it will, no doubt, be resisted by some of our citizens until such teeth are put into the law to provide jail sentences for the offenders.

The undersigned members of the Committee have not been afforded the necessary time to examine the 1,800 pages of testimony and detail page references to the testimony supporting the statements of evidence here made. So much of the evidence is hearsay and opinion evidence that it should have no probative force.

The one witness who testified with reference to the Panhandle gas field, on cross-examination admitted that more than eighty per cent (80%) of the lands in the Panhandle gas field belongs to the major pipe line companies and that more than two-thirds of the ninety-seven billion feet of gas transported from this field annually went to cities and towns outside of the State of Texas where it was sold by these major companies, that these major companies had refused to observe the common purchaser act passed by the Legislature of the State of Texas, and struck same down in the courts, and later refused to purchase under the market demand law ratable and enjoined the Commission from attempting to force them to purchase ratably from all owners in the field, and that there was no market for the other owners of gas lands in the Panhandle, except for casinghead gasoline plants and carbon black plants, and that if the big companies continue to refuse to purchase gas from the other owners in the field, which they have always been doing, and the other owners were denied the right to sell their gas to casinghead and carbon black plants, they would have their gas taken away from them without compensation and sent to other States in the Union.

In this connection, we must respectfully urge that the Railroad Commission of Texas has only been performing its duty to its citizens in affording them an opportunity to market their products, and to keep it from being confiscated by these major pipe line companies selling the gas in other States. The Railroad Commission of Texas should be commended for protecting the property rights of its citizens rather than deny them these rights as they would do if they prevented their obtaining a market. As we view it, the primary duty of the Legislature of Texas and of the Railroad Commission is to protect the property rights of Texas citizens.

We have sought to make a fair and impartial statement of the evidence as we view it and we deem it inappropriate to seek to set out any conclusions or opinions such as set up in the last three pages of the Chairman's proposed report. We must respectfully urge that the conclusions set up in said report were not warranted by the evidence.

We believe that the Members of the House of Representatives should decide for themselves the probative force the evidence included and that they should not seek to pass judgment on the efforts of the Railroad Commission of Texas to enforce the conservation laws of Texas on any man's opinion.

Respectfully submitted,

CHASTAIN,
ROGERS of Ochiltree,
McDOUGALD,
KYLE of Palo Pinto.

PROVIDING FOR THE COMMITTEE ON PENITENTIARIES TO MAKE INSPECTION TRIP

Mr. Burns offered the following resolution:

Whereas, It has been the duty of the Committee on Penitentiaries to visit the prisons and prison farms, and make an inspection of the properties of the Prison System of Texas; and

Whereas, It has been a custom of the Committee on Penitentiaries to visit the prison and prison farms; therefore be it

Resolved by the House of Representatives, That the Committee on Penitentiaries be excused from attendance of House Sessions on dates of March 24 and 25, in order that they may visit the penitentiary farms in South Texas, and also the walls at Huntsville, and nearby farms, on said dates, and that the railroad and Pullman fare from Austin to Houston and return be paid out of the House Contingent Fund.

The resolution was read second time.

Mr. Patterson moved that the resolution be amended so as to provide that all Members of the House shall make the trip with the Committee.

Mr. Greathouse moved as a substitute motion that Mr. Patterson only be included in the resolution to accompany the Committee.

The substitute motion by Mr. Greathouse was lost.

Question then recurring on the motion by Mr. Patterson, it was lost.

Question recurring on the resolution, it was lost.

Mr. Lindsey moved to reconsider the vote by which the resolution was lost.

Mr. Dwyer moved to table the motion to reconsider.

The motion to table was lost by the following vote:

Yeas—56

Alsup.	Mitcham.
Bedford.	Nicholson.
Bourne.	Parkhouse.
Butler.	Patterson.
Cathey.	Pavlica.
Chastain.	Pope.
Coombes.	Puryear.
Cowley.	Ratliff.
Dean.	Ray.
Devall.	Reader.
Dunagan.	Reed of Bowie.
Dwyer.	Reed of Dallas.
Fain.	Renfro.
Fisher.	Roberts.
Fuchs.	Rollins.
Glass.	Russell.
Hartzog.	Shults.
Hester.	Smith.
Hill of Brazoria.	Stanfield.
Hill of Webb.	Tarwater.
Huddleston.	Thomas.
Hunt.	Tillery.
Kayton.	Townsend.
Latham.	Vaughan.
Lotief.	Wagstaff.
Magee.	Walker.
Mathis.	Wells.
McDougald.	Winningham.

Nays—65

Adamson.	Head.
Aikin.	Hicks.
Alexander.	Hodges.
Anderson	Holland.
of Bexar.	Hoskins.
Baker.	Hughes.
Barrett.	Hyder.
Beck.	Jackson.
Burns.	James.
Calvert.	Jefferson.
Camp.	Johnson
Canon.	of Anderson.
Clayton.	Jones of Runnels.
Crossley.	Jones of Shelby.
Daniel.	Kyle of Hays.
Davidson.	Kyle of Palo Pinto.
Ford.	Laird.
Golson.	Leonard.
Good.	Lindsey.
Goodman.	Long.
Graves.	McClain.
Griffith.	McCullough.
Haag.	McKee.
Hankamer.	Merritt.
Harman.	Metcalfe.
Harris.	Moffett.

Moore.	Shannon.
Morse.	Steward.
Palmer.	Stinson.
Ramsey.	Stovall.
Riddle.	Tennyson.
Rogers of Hunt.	Van Zandt.
Ross.	Wood.
Scarborough.	Young.

Present—Not Voting

Anderson	Jones of Atascosa.
of Johnson.	

Absent

Barron.	Mackay.
Caven.	McGregor.
Colson.	Morrison.
Dunlap.	Rogers
Duvall.	of Ochiltree.
Engelhard.	Savage.
Few.	Scott.
Greathouse.	Sullivan.
Harrison.	Turlington.
Holekamp.	Weinert.
Holloway.	West.
Lemens.	

Absent—Excused

Bradley.	Munson.
Johnson	
of Dimmit.	

Question then recurring on the motion to reconsider the vote by which the resolution was lost, it prevailed.

Mr. Alsop raised a point of order on further consideration of the resolution at this time, on the ground that the time for the consideration of resolutions has expired.

The Speaker sustained the point of order.

HOUSE BILL NO. 167 ON SECOND READING

The Speaker laid before the House, on its second reading and passage to engrossment,

H. B. No. 167, A bill to be entitled "An Act making appropriations for the support and maintenance of the State Government for the two-year period, beginning September 1, 1933, and ending August 31, 1935, and for other purposes, and prescribing certain regulations and restrictions in respect thereto, and declaring an emergency."

The bill was read second time.

Mr. Harman offered the committee amendment to the bill, which strikes out all below the enacting clause, and inserts in lieu thereof a new text, which was printed with the bill.

On motion of Mr. Harman, the House agreed to consider the bill, department by department.

Mr. Harman offered the following amendment to the section of the amendment relating to the Adjutant General's Department:

Amend committee amendment to House Bill No. 167, page 4, by striking out all of line 16, and re-inserting same between lines 28 and 29, on page 4.

The amendment was adopted.

Mr. Lotief offered the following amendment to this section of the amendment:

Amend committee amendment to House Bill No. 167, page 5, line 8, by striking out the figures "\$10,000."

LOTIEF,
HUDDLESTON.

Question recurring on the amendment, yeas and nays were demanded.

The amendment was adopted by the following vote:

Yeas—81

Adamson.	James.
Aikin.	Jones of Runnels.
Alsop.	Kayton.
Anderson	Kyle of Hays.
of Johnson.	Latham.
Baker.	Leonard.
Barrett.	Lindsey.
Beck.	Lotief.
Bourne.	Mathis.
Butler.	McClain.
Calvert.	McCullough.
Canon.	Merritt.
Chastain.	Mitcham.
Cowley.	Parkhouse.
Daniel.	Pavlica.
Davidson.	Pope.
Dean.	Puryear.
Dunagan.	Ramsey.
Dwyer.	Ratliff.
Fain.	Reader.
Few.	Reed of Bowie.
Fisher.	Reed of Dallas.
Ford.	Riddle.
Fuchs.	Rogers of Hunt.
Glass.	Rollins.
Golson.	Ross.
Graves.	Russell.
Greathouse.	Savage.
Harris.	Scarborough.
Head.	Shults.
Hester.	Stanfield.
Hicks.	Stinson.
Holekamp.	Sullivan.
Holloway.	Tarwater.
Huddleston.	Tennyson.
Hughes.	Thomas.

Tillery.
Townsend.
Turlington.
Vaughan.
Wagstaff.

Walker.
Winningham.
Wood.
Young.

Nays—19

Alexander.
Caven.
Clayton.
Coombes.
Devall.
Harman.
Hill of Brazoria.
Holland.
Hoskins.
Hyder.

Jackson.
Jefferson.
Kyle of Palo Pinto.
Magee.
McGregor.
Moore.
Morse.
Shannon.
Steward.
Van Zandt.

Present—Not Voting

Hankamer.

Absent

Anderson
of Bexar.
Barron.
Bedford.
Burns.
Camp.
Cathey.
Colson.
Crossley.
Dunlap.
Duvall.
Engelhard.
Good.
Goodman.
Griffith.
Haag.
Harrison.
Hartzog.
Hill of Webb.
Hodges.
Hunt.
Johnson
of Anderson.
Jones of Atascosa.

Jones of Shelby.
Laird.
Lemens.
Long.
Mackay.
McDougald.
McKee.
Metcalf.
Moffett.
Morrison.
Nicholson.
Palmer.
Patterson.
Ray.
Renfro.
Roberts.
Rogers
of Ochiltree.
Scott.
Smith.
Stovall.
Weinert.
Wells.
West.

Absent—Excused

Bradley.
Johnson
of Dimmit.

Munson.

Mr. Lotief offered the following amendment to this section of the committee amendment:

Amend committee amendment to House Bill No. 167, page 5, line 22, by striking out the figures "\$20,000," and insert in lieu thereof "\$10,000."

LOTIEF,
HUDDLESTON.

Mr. Kayton offered the following substitute for the amendment by Mr. Lotief:

Amend committee amendment to House Bill No. 167, page 5, line 22, by changing figures "\$20,000" to "\$5,000."

The substitute amendment was adopted.

Question recurring on the amendment as substituted, yeas and nays were demanded.

The amendment, as substituted, was adopted by the following vote:

Yeas—81

Adamson.
Aikin.
Alexander.
Alsup.
Anderson
of Johnson.
Baker.
Barrett.
Beck.
Bourne.
Calvert.
Camp.
Canon.
Cathey.
Chastain.
Colson.
Cowley.
Daniel.
Davidson.
Dean.
Dunagan.
Fain.
Fisher.
Ford.
Glass.
Golson.
Goodman.
Graves.
Greathouse.
Harris.
Hartzog.
Head.
Hester.
Hicks.
Hill of Brazoria.
Hill of Webb.
Hodges.
Huddleston.
Hyder.
James.
Johnson
of Anderson.

Jones of Shelby.
Kayton.
Kyle of Hays.
Laird.
Latham.
Leonard.
Lindsey.
Long.
Lotief.
McClain.
McCullough.
McDougald.
Merritt.
Metcalf.
Mitcham.
Moffett.
Parkhouse.
Pavlica.
Pope.
Purvey.
Ramsey.
Ratliff.
Reed of Bowie.
Riddle.
Rogers of Hunt.
Ross.
Savage.
Scarborough.
Shults.
Smith.
Stinson.
Stovall.
Tennyson.
Thomas.
Tillery.
Townsend.
Turlington.
Van Zandt.
Vaughan.
Walker.
Winningham.

Nays—22

Butler.
Clayton.
Coombes.
Devall.
Few.
Haag.
Hankamer.
Holland.

Jones of Runnels.
Magee.
Mathis.
McKee.
Moore.
Nicholson.
Patterson.
Ray.

Reed of Dallas.
Rogers
of Ochiltree.
Rollins.

Shannon.
Stanfield.
Wood.

Present—Not Voting

Holekamp.

Tarwater.

Absent

Anderson
of Bexar.
Barron.
Bedford.
Burns.
Caven.
Crossley.
Dunlap.
Duvall.
Dwyer.
Engelhard.
Fuchs.
Good.
Griffith.
Harman.
Harrison.
Holloway.
Hoskins.
Hughes.
Hunt.
Jackson.

Jefferson.
Jones of Atascosa.
Kyle of Palo Pinto.
Lemens.
Mackay.
McGregor.
Morrison.
Morse.
Palmer.
Reader.
Renfro.
Roberts.
Russell.
Scott.
Steward.
Sullivan.
Wagstaff.
Weinert.
Wells.
West.
Young.

Absent—Excused

Bradley.
Johnson
of Dimmit.

Munson.

Mr. Kayton offered the following amendment to this section of the committee amendment:

Amend committee amendment to House Bill No. 167, page 4, line 32, by changing figures "\$100,000," in each column, to "\$25,000," in each column.

The amendment was adopted.

Mr. Kayton offered the following amendment to this section of the committee amendment:

Amend House Bill No. 167, page 5, by striking out all of lines 23 to 27, inclusive.

The amendment was adopted.

Mr. Kayton offered the following amendment to this section of the committee amendment:

Amend committee amendment to House Bill No. 167, page 5, line 18, by striking out all of said line.

Question recurring on the amendment, yeas and nays were demanded.

The amendment was adopted by the following vote:

Yeas—83

Aikin.	Jones of Runnels.
Alexander.	Jones of Shelby.
Alsup.	Kayton.
Anderson	Kyle of Hays.
of Johnson.	Latham.
Barrett.	Lemens.
Beck.	Leonard.
Bourne.	Lindsey.
Calvert.	Long.
Camp.	Lotief.
Canon.	McClain.
Cathey.	McCullough.
Chastain.	Merritt.
Cowley.	Mitcham.
Crossley.	Moffett.
Daniel.	Palmer.
Davidson.	Pavlica.
Dean.	Pope.
Dunagan.	Puryear.
Dwyer.	Ramsey.
Fain.	Ratliff.
Fisher.	Reed of Bowie.
Ford.	Renfro.
Glass.	Riddle.
Golson.	Rogers
Goodman.	of Ochiltree.
Graves.	Rollins.
Haag.	Ross.
Harman.	Savage.
Harris.	Scarborough.
Hartzog.	Shults.
Head.	Steward.
Hester.	Stinson.
Hicks.	Stovall.
Hodges.	Sullivan.
Holekamp.	Tarwater.
Holloway.	Tennyson.
Huddleston.	Tillery.
Hughes.	Turlington.
Hunt.	Vaughan.
Jackson.	Walker.
James.	Winningham.
Johnson	
of Anderson.	

Nays—25

Adamson.	Kyle of Palo Pinto.
Burns.	Magee.
Colson.	Mathis.
Coombes.	McKee.
Devall.	Morse.
Few.	Patterson.
Greathouse.	Reed of Dallas.
Griffith.	Shannon.
Hankamer.	Stanfield.
Hill of Brazoria.	Townsend.
Hill of Webb.	Van Zandt.
Holland.	Wagstaff.
Hyder.	Wood.

Absent

Anderson	Barron.
of Bexar.	Bedford.
Baker.	Butler.

Caven.	Moore.
Clayton.	Morrison.
Dunlap.	Nicholson.
Duvall.	Parkhouse.
Engelhard.	Ray.
Fuchs.	Reader.
Good.	Roberts.
Harrison.	Rogers of Hunt.
Hoskins.	Russell.
Jefferson.	Scott.
Jones of Atascosa.	Smith.
Laird.	Thomas.
Mackay.	Weinert.
McDougald.	Wells.
McGregor.	West.
Metcalfe.	Young.

Absent—Excused

Bradley.	Munson.
Johnson	
of Dimmit.	

Mr. Kayton offered the following amendment to this section of the committee amendment:

Amend committee amendment to House Bill No. 167, page 5, line 31, by changing figures "\$5,000," to "\$1,250."

Question recurring on the amendment, yeas and nays were demanded.

The amendment was adopted by the following vote:

Yeas—80

Aikin.	Hicks.
Alexander.	Hodges.
Alsup.	Holekamp.
Anderson	Holloway.
of Johnson.	Huddleston.
Baker.	Hughes.
Barrett.	Hunt.
Bourne.	Jackson.
Calvert.	James.
Camp.	Johnson
Canon.	of Anderson.
Cathey.	Jones of Shelby.
Chastain.	Kayton.
Cowley.	Kyle of Hays.
Crossley.	Latham.
Daniel.	Leonard.
Davidson.	Lindsey.
Dean.	Lotief.
Dunagan.	McClain.
Dwyer.	McCullough.
Fain.	Mitcham.
Fisher.	Moffett.
Glass.	Morrison.
Golson.	Palmer.
Goodman.	Parkhouse.
Graves.	Pavlica.
Griffith.	Pope.
Haag.	Puryear.
Harris.	Ramsey.
Head.	Ratliff.
Hester.	Reed of Bowie.

Renfro.	Stovall.
Riddle.	Tennyson.
Rogers of Hunt.	Thomas.
Rollins.	Tillery.
Ross.	Turlington.
Scarborough.	Van Zandt.
Shults.	Vaughan.
Smith.	Wagstaff.
Steward.	Walker.
Stinson.	Winningham.

Nays—24

Adamson.	Kyle of Palo Pinto.
Burns.	Magee.
Colson.	Mathis.
Coombes.	McKee.
Few.	Morse.
Greathouse.	Patterson.
Hankamer.	Ray.
Hill of Brazoria.	Reed of Dallas.
Hill of Webb.	Shannon.
Holland.	Stanfield.
Hyder.	Townsend.
Jones of Runnels.	Wood.

Absent

Anderson	Lemens.
of Bexar.	Long.
Barron.	Mackay.
Beck.	McDougald.
Bedford.	McGregor.
Butler.	Merritt.
Caven.	Metcalfe.
Clayton.	Moore.
Devall.	Nicholson.
Dunlap.	Reader.
Duvall.	Roberts.
Engelhard.	Rogers of Ochiltree.
Ford.	Russell.
Fuchs.	Savage.
Good.	Scott.
Harman.	Sullivan.
Harrison.	Tarwater.
Hartzog.	Weinert.
Hoskins.	Wells.
Jefferson.	West.
Jones of Atascosa.	Young.
Laird.	

Absent—Excused

Bradley.	Munson.
Johnson	
of Dimmit.	

Mr. Kayton offered the following amendment to this section of the committee amendment:

Amend committee amendment to House Bill No. 167, page 5, line 35, by changing the figures "\$10,000" to "\$2,500."

Mr. Patterson moved to table the amendment.

Yeas and nays were demanded, and the motion to table was lost by the following vote:

Yeas—42

Alexander.	Magee.
Butler.	Mackay.
Clayton.	Mathis.
Coombes.	McDougald.
Devall.	Metcalf.
Dwyer.	Moffett.
Engelhard.	Moore.
Fuchs.	Morse.
Good.	Nicholson.
Greathouse.	Patterson.
Griffith.	Ray.
Haag.	Reed of Dallas.
Hankamer.	Rogers
Hartzog.	of Ochiltree.
Head.	Scott.
Hill of Brazoria.	Shannon.
Holland.	Stanfield.
Hoskins.	Steward.
Hunt.	Townsend.
Hyder.	Wagstaff.
Jones of Runnels.	Weinert.
Kyle of Palo Pinto.	Young.

Nays—73

Adamson.	Latham.
Aikin.	Lemens.
Alsup.	Leonard.
Anderson	Lindsey.
of Johnson.	Lotief.
Baker.	McClain.
Barrett.	McCullough.
Beck.	McKee.
Bedford.	Merritt.
Bourne.	Mitcham.
Calvert.	Morrison.
Camp.	Palmer.
Canon.	Parkhouse.
Cathey.	Pavlica.
Chastain.	Pope.
Cowley.	Puryear.
Crossley.	Ramsey.
Daniel.	Ratliff.
Dean.	Reed of Bowie.
Dunagan.	Riddle.
Fain.	Roberts.
Fisher.	Rogers of Hunt.
Glass.	Rollins.
Golson.	Savage.
Harman.	Scarborough.
Hester.	Shults.
Hicks.	Smith.
Hodges.	Stinson.
Holekamp.	Sullivant.
Huddleston.	Thomas.
Hughes.	Turlington.
Jackson.	Van Zandt.
James.	Vaughan.
Jones of Atascosa.	Walker.
Jones of Shelby.	Wells.
Kayton.	Winningham.
Kyle of Hays.	Wood.

Absent

Anderson	Barron.
of Bexar.	Burns.

Caven.	Johnson
Colson.	of Anderson.
Davidson.	Laird.
Dunlap.	Long.
Duvall.	McGregor.
Few.	Reader.
Ford.	Renfro.
Goodman.	Ross.
Graves.	Russell.
Harris.	Stovall.
Harrison.	Tarwater.
Hill of Webb.	Tennyson.
Holloway.	Tillery.
Jefferson.	West.

Absent—Excused

Bradley.	Munson.
Johnson	
of Dimmit.	

Question then recurring on the amendment, yeas and nays were demanded.

The amendment was adopted by the following vote:

Yeas—76

Adamson.	Kyle of Hays.
Aikin.	Latham.
Alsup.	Lemens.
Anderson	Lindsey.
of Johnson.	Long.
Baker.	Lotief.
Barrett.	McCullough.
Beck.	Merritt.
Bedford.	Mitcham.
Bourne.	Morrison.
Calvert.	Palmer.
Camp.	Parkhouse.
Canon.	Pavlica.
Cathey.	Pope.
Chastain.	Puryear.
Cowley.	Ramsey.
Crossley.	Ratliff.
Daniel.	Reed of Bowie.
Dean.	Riddle.
Dunagan.	Roberts.
Fain.	Rogers of Hunt.
Fisher.	Rollins.
Glass.	Savage.
Golson.	Scarborough.
Good.	Scott.
Harman.	Shults.
Head.	Stinson.
Hicks.	Stovall.
Hodges.	Sullivant.
Holekamp.	Thomas.
Huddleston.	Tillery.
Hughes.	Turlington.
Hunt.	Van Zandt.
Jackson.	Vaughan.
James.	Walker.
Jones of Atascosa.	Wells.
Jones of Runnels.	Winningham.
Jones of Shelby.	Wood.
Kayton.	

Nays—39

Alexander.	Mathis.
Butler.	McDougald.
Clayton.	McGregor.
Coombes.	McKee.
Devall.	Metcalf.
Dwyer.	Moffett.
Engelhard.	Moore.
Fuchs.	Morse.
Greathouse.	Nicholson.
Griffith.	Patterson.
Haag.	Ray.
Hankamer.	Reed of Dallas.
Hartzog.	Rogers of Ochiltree.
Hill of Brazoria.	Shannon.
Holland.	Steward.
Hoskins.	Townsend.
Hyder.	Wagstaff.
Kyle of Palo Pinto.	Weinert.
Magee.	Young.
Mackay.	

Absent

Anderson of Bexar.	Holloway.
Barron.	Jefferson.
Burns.	Johnson
Caven.	of Anderson.
Colson.	Laird.
Davidson.	Leonard.
Dunlap.	McClain.
Duvall.	Reader.
Few.	Renfro.
Ford.	Ross.
Goodman.	Russell.
Graves.	Smith.
Harris.	Stanfield.
Harrison.	Tarwater.
Hester.	Tennyson.
Hill of Webb.	West.

Absent—Excused

Bradley.	Munson.
Johnson of Dimmit.	

Mr. Kayton offered the following amendment to this section of the committee amendment:

Amend committee amendment to House Bill No. 167, page 5, line 39, by changing the figures "\$10,000" to "\$2,500."

The amendment was adopted.

Mr. Kayton offered the following amendment to this section of the committee amendment:

Amend committee amendment to House Bill No. 167, page 4, line 27, by changing the figures "\$480" to "\$600."

The amendment was adopted.

Mr. Kayton offered the following amendment to this section of the committee amendment:

Amend committee amendment to House Bill No. 167, page 6, by inserting between lines 15 and 16 the following:

"Subsistence, not exceeding \$25 per month, per man, \$7,800, each year."

The amendment was adopted.

Mr. Kayton offered the following amendment to this section of the committee amendment:

Amend committee amendment to House Bill No. 167, page 6, lines 21 to 27, inclusive, to read as follows:

"Contingent expenses, including medical attention, including hospitalization and funeral expenses when occasioned in line of actual duty only, stamps, stationery, freight, express, telegraph, and telephone, \$6,500, each year."

The amendment was adopted.

Mr. Harman offered the following amendment to this section of the committee amendment:

Amend committee amendment to House Bill No. 167, page 6, line 20, by adding at the end of same the following: "and other traveling expenses."

The amendment was adopted.

Mr. Devall offered the following amendment to this section of the committee amendment:

Amend committee amendment No. 1 to House Bill No. 167 by striking out line 40, page 6, and lines 4 to 12, both inclusive, page 7, and insert in lieu thereof the following:

"State Service officer, \$2,100, each year; Assistant Service Officer, \$1,800, each year; Chaplain and Service Officer at U. S. V. Hospital, \$720, each year; secretary and typist, \$1,500, each year; traveling expenses, \$1,000, each year; stamp, stationery, office supplies, telegraph, telephone, contingent expense, \$400, each year; total State Service Officer, \$7,520, each year."

DEVALL,
COOMBES.

The amendment was adopted.

(Mr. Moore in the Chair.)

Mr. Parkhouse offered the following amendment to this section of the committee amendment:

Amend committee amendment to House Bill No. 167, page 6, line 36, by striking out the figures "\$1,200," in each column, and insert "\$1,080."

PARKHOUSE,
STINSON.

Question—Shall the amendment by Mr. Parkhouse be adopted.

MESSAGE FROM THE SENATE

Senate Chamber,
Austin, Texas, March 21, 1933.
Hon. Coke Stevenson, Speaker of the House of Representatives.

Sir: I am directed by the Senate to inform the House that the Senate has adopted a memorial of the Legislature of Texas to Congress concerning the building of a storage reservoir on the Rio Grande. (With amendment.)

The Senate has passed

H. B. No. 54, A bill to be entitled "An Act to provide for the payment of not less than the general prevailing rate of wages on public works and not less than the general prevailing rate of wages for legal holiday and over-time work on public works; providing for the ascertainment of such general prevailing rate by the public body awarding the contract, and its insertion in the contract, and call for bids for the contract, etc., and declaring an emergency." (With amendments.)

The following have been appointed on the part of the Senate by authority of Senate Concurrent Resolution No. 14: Senators Neal and Redditt.

Respectfully,
BOB BARKER,
Secretary of the Senate.

RECESS

Mr. Daniel moved that the House recess to 2 o'clock p. m., today.

Mr. Patterson moved that the House adjourn until 9:30 o'clock a. m., tomorrow.

The motion by Mr. Daniel prevailed, and the House, accordingly, at 12 o'clock m., took recess to 2 o'clock p. m., today.

AFTERNOON SESSION

The House met at 2 o'clock p. m., and was called to order by the Speaker.

INVITATION FROM AUSTIN CHAMBER OF COMMERCE

The Speaker laid before the House, and had read, the following invitation:

Austin, Texas, March 21, 1933.

Hon. Coke Stevenson, Speaker of the House of Representatives, and Members of the House of Representatives, their wives and guests, Forty-third Legislature.

Gentlemen: The citizenship of Austin, through the Austin Chamber of Commerce, extend to you a most cordial invitation to attend the reception and dance given in your honor on the roof of the Stephen F. Austin Hotel, Wednesday evening of this week, March 22.

One of the features of the evening will be an old-fashioned square dance put on by experts with the figures called by the greatest authority in Texas on this subject.

This reception and dance will be strictly informal, and we sincerely hope that you can so arrange your affairs that you can be present.

Respectfully yours,

Austin Chamber of Commerce,

CHAS. B. COOK,
Vice-President, Convention and Publicity Bureau.

Presented by Messrs. Griffith and McGregor, Travis County Representatives.

HOUSE BILL NO. 54 WITH SENATE AMENDMENTS

Mr. Jefferson called up from the Speaker's table, with Senate amendments, for consideration of the amendments,

H. B. No. 54, A bill to be entitled "An Act to provide for the payment of not less than the general prevailing rate of wages on public works, and not less than the general prevailing rate of wages for legal holiday and overtime work on public works, providing for the ascertainment of such general prevailing rate by the public body awarding the contract, and its insertion in the contract, and call for bids for the contract, etc., and declaring an emergency."

The Speaker laid the bill before the House, with the Senate amendments.

On motion of Mr. Jefferson, the House concurred in the Senate amendments by the following vote:

Yeas—102

Adamson.	Anderson
Aikin.	of Johnson.
Alexander.	Baker.

Barrett.	McClain.
Bourne.	McCullough.
Burns.	McDougald.
Butler.	McGregor.
Camp.	McKee.
Canon.	Merritt.
Cathey.	Metcalf.
Chastain.	Mitcham.
Clayton.	Moffett.
Cowley.	Morrison.
Daniel.	Morse.
Dean.	Nicholson.
Dwyer.	Palmer.
Engelhard.	Parkhouse.
Fain.	Pope.
Few.	Puryear.
Fisher.	Ramsey.
Ford.	Ratliff.
Fuchs.	Ray.
Glass.	Reader.
Golson.	Reed of Bowie.
Good.	Reed of Dallas.
Graves.	Renfro.
Greathouse.	Riddle.
Griffith.	Roberts.
Hankamer.	Rogers of Ochiltree.
Harman.	Rollins.
Head.	Russell.
Hester.	Savage.
Hicks.	Scarborough.
Hill of Brazoria.	Shults.
Holekamp.	Smith.
Hoskins.	Stanfield.
Huddleston.	Steward.
Hughes.	Stinson.
Hunt.	Stovall.
Hyder.	Sullivant.
Jackson.	Thomas.
James.	Tillery.
Jefferson.	Townsend.
Jones of Runnels.	Vaughan.
Jones of Shelby.	Wagstaff.
Kayton.	Walker.
Kyle of Hays.	Weinert.
Laird.	West.
Lindsey.	Winningham.
Lotief.	Wood.
Magee.	Young.
Mackay.	

Absent

Alsup.	Goodman.
Anderson	Haag.
of Bexar.	Harris.
Barron.	Harrison.
Beck.	Hartzog.
Bedford.	Hill of Webb.
Calvert.	Hodges.
Caven.	Holland.
Colson.	Holloway.
Coombes.	Johnson
Crossley.	of Anderson.
Davidson.	Jones of Atascosa.
Devall.	Kyle of Palo Pinto.
Dunlap.	Latham.
Dunagan.	Lemens.
Duvall.	Leonard.

Long.	Scott.
Mathis.	Shannon.
Moore.	Tarwater.
Patterson.	Tennyson.
Pavlica.	Turlington.
Rogers of Hunt.	Van Zandt.
Ross.	Wells.

Absent—Excused

Bradley.	Munson.
Johnson of Dimmit.	

COMMITTEE IN COMPLIANCE WITH SENATE CONCURRENT RESOLUTION NO. 14

The Speaker announced the appointment of the following committee on the part of the House, in compliance with Senate Concurrent Resolution No. 14: Messrs. Dean, Cathey, and James.

CONCURRENCE IN SENATE AMENDMENTS TO CERTAIN MEMORIAL

On motion of Mr. Clayton, the House concurred in the Senate amendments to a memorial to Congress, in regard to certain storage reservoir on the Rio Grande.

HOUSE BILL NO. 167 ON PASSAGE TO ENGROSSMENT

The House resumed consideration of pending business, same being House Bill No. 167, making an appropriation for the support and maintenance of the various departments of State Government; the bill having heretofore been read second time, with committee amendment by Mr. Harman, and amendment by Mr. Parkhouse to the committee amendment, pending;

The House having agreed to consider the amendment department by department; having under consideration at this time the section of the amendment relative to the Adjutant General's Department.

On motion of Mr. Morse, the amendment by Mr. Parkhouse was tabled.

Mr. Stinson offered the following amendment to this section of the committee amendment:

Amend committee amendment to House Bill No. 167, page 4, line 30, by striking out the figures "\$2,250, \$2,250," and inserting in lieu thereof the figures "\$1,500, \$1,500."

The amendment was adopted.

Mr. McGregor offered the following amendment to the committee amendment:

Amend committee amendment to House Bill No. 167, line 20, page 6, by striking out the figures "\$9,216," wherever it occurs, and inserting in lieu thereof the figures "\$15,000."

Mr. Lotief offered the following substitute for the amendment by Mr. McGregor:

Amend committee amendment to House Bill No. 167, page 6, line 20, by striking out the figures "\$9,216," and insert in lieu thereof "\$7,500."

Question first recurring on the substitute amendment, yeas and nays were demanded.

The substitute amendment was lost by the following vote:

Yeas—53

Adamson.	Hunt.
Aikin.	Jackson.
Baker.	Kyle of Hays.
Barrett.	Lotief.
Beck.	McClain.
Bourne.	Merritt.
Burns.	Morrison.
Calvert.	Pavlica.
Canon.	Pope.
Cathey.	Puryear.
Coombes.	Reed of Bowie.
Cowley.	Reed of Dallas.
Daniel.	Riddle.
Fain.	Rogers of Hunt.
Fisher.	Russell.
Fuchs.	Savage.
Glass.	Scarborough.
Good.	Scott.
Haag.	Shults.
Harrison.	Stinson.
Hartzog.	Tennyson.
Head.	Thomas.
Hester.	Turlington.
Hicks.	Vaughan.
Holekamp.	Walker.
Hoskins.	Wood.
Huddleston.	

Nays—61

Alexander.	Golson.
Anderson	Goodman.
of Johnson.	Graves.
Caven.	Greathouse.
Chastain.	Griffith.
Clayton.	Hankamer.
Crossley.	Harman.
Davidson.	Harris.
Dean.	Hill of Brazoria.
Dwyer.	Hill of Webb.
Engelhard.	Hodges.
Few.	Holland.
Ford.	Hughes.

Hyder.	Reader.
James.	Roberts.
Jefferson.	Rogers
Jones of Runnels.	of Ochiltree.
Kayton.	Rollins.
Leonard.	Ross.
Lindsey.	Shannon.
Magee.	Stanfield.
Mackay.	Steward.
McKee.	Stovall.
Metcalf.	Sullivant.
Mitcham.	Tillery.
Moffett.	Townsend.
Moore.	Van Zandt.
Morse.	Wagstaff.
Nicholson.	West.
Patterson.	Winningham.
Ratliff.	Young.
Ray.	

Absent

Alsop.	Kyle of Palo Pinto.
Anderson	Laird.
of Bexar.	Latham.
Barron.	Lemens.
Bedford.	Long.
Butler.	Mathis.
Camp.	McCullough.
Colson.	McDougald.
Devall.	McGregor.
Dunlap.	Palmer.
Dunagan.	Parkhouse.
Duvall.	Ramsey.
Holloway.	Renfro.
Johnson	Smith.
of Anderson.	Tarwater.
Jones of Atascosa.	Weinert.
Jones of Shelby.	Wells.

Absent—Excused

Bradley.	Munson.
Johnson of Dimmit.	

Question then recurring on the amendment by Mr. McGregor, it was lost by the following vote:

Yeas—6

Davidson.	Moore.
Greathouse.	Morse.
Metcalf.	Shannon.

Nays—106

Adamson.	Camp.
Aikin.	Canon.
Alexander.	Cathey.
Anderson	Caven.
of Bexar.	Chastain.
Anderson	Clayton.
of Johnson.	Coombes.
Barrett.	Cowley.
Beck.	Crossley.
Bourne.	Daniel.
Burns.	Dean.
Calvert.	Dwyer.

Engelhard.	McKee.
Fain.	Merritt.
Few.	Mitcham.
Fisher.	Moffett.
Ford.	Morrison.
Fuchs.	Nicholson.
Glass.	Palmer.
Golson.	Pavlica.
Good.	Pope.
Goodman.	Puryear.
Graves.	Ratliff.
Griffith.	Ray.
Haag.	Reader.
Hankamer.	Reed of Bowie.
Harman.	Reed of Dallas.
Harris.	Riddle.
Harrison.	Roberts.
Hartzog.	Rogers of Hunt.
Head.	Rogers
Hester.	of Ochiltree.
Hicks.	Rollins.
Hill of Brazoria.	Ross.
Hill of Webb.	Russell.
Hodges.	Scarborough.
Holekamp.	Shults.
Holloway.	Stanfield.
Hoskins.	Steward.
Huddleston.	Stinson.
Hughes.	Stovall.
Hunt.	Sullivant.
Hyder.	Tennyson.
Jackson.	Thomas.
James.	Townsend.
Jefferson.	Turlington.
Jones of Runnels.	Van Zandt.
Kayton.	Vaughan.
Kyle of Hays.	Wagstaff.
Leonard.	Walker.
Lindsey.	Weinert.
Lotief.	Winningham.
Magee.	Wood.
Mackay.	Young.

Present—Not Voting

Savage.

Absent

Alsup.	Lemens.
Baker.	Long.
Barron.	Mathis.
Bedford.	McClain.
Butler.	McCullough.
Colson.	McDougald.
Devall.	McGregor.
Dunlap.	Parkhouse.
Dunagan.	Patterson.
Duvall.	Ramsey.
Holland.	Renfro.
Johnson	Scott.
of Anderson.	Smith.
Jones of Atascosa.	Tarwater.
Jones of Shelby.	Tillery.
Kyle of Palo Pinto.	Wells.
Laird.	West.
Latham.	

Absent—Excused

Bradley. Munson.
Johnson of Dimmit.

Mr. Kyle of Hays offered the following amendment to this section of the committee amendment:

Amend committee amendment to House Bill No. 167 by striking out lines 11 to 15, inclusive, on page 6.

On motion of Mr. Lindsey the amendment was tabled.

Mr. Kyle of Hays offered the following amendment to this section of the committee amendment:

Amend committee amendment to House Bill No. 167 by striking out lines 11 to 15, inclusive, on page 6, and insert the following:

"Salary for officers and men: One captain, \$150 per month each; one sergeant, \$130 per month, each; five privates, \$110 per month, each; totals, \$9,960, \$9,960."

On motion of Mr. James, the amendment was tabled.

Mr. Coombes moved to reconsider the vote by which the amendment by Mr. Kayton, reducing the appropriation for the maintenance of armories, was adopted.

Mr. Daniel moved to table the motion to reconsider.

Yeas and nays were demanded, and the motion to table prevailed by the following vote:

Yeas—68

Aikin.	Holekamp.
Alsup.	Huddleston.
Anderson	Hunt.
of Johnson.	Jackson.
Baker.	James.
Barrett.	Jones of Shelby.
Burns.	Kayton.
Cathey.	Kyle of Hays.
Chastain.	Lindsey.
Cowley.	Long.
Crossley.	Lotief.
Daniel.	McClain.
Davidson.	McCullough.
Dwyer.	Merritt.
Fain.	Mitcham.
Fisher.	Morrison.
Ford.	Palmer.
Glass.	Parkhouse.
Golson.	Patterson.
Goodman.	Pavlica.
Harman.	Pope.
Hartzog.	Puryear.
Head.	Reader.
Hicks.	Reed of Bowie.
Hodges.	Riddle.

Roberts.	Tennyson.
Rogers of Hunt.	Tillery.
Savage.	Vaughan.
Scarborough.	Walker.
Shults.	Wells.
Smith.	West.
Stanfield.	Winningham.
Stinson.	Wood.
Stovall.	Young.
Sullivant.	

Nays—49

Adamson.	Lemens.
Alexander.	Magee.
Bedford.	Mackay.
Bourne.	McDougald.
Caven.	McKee.
Clayton.	Metcalf.
Coombes.	Moffett.
Dean.	Moore.
Devall.	Morse.
Dunagan.	Nicholson.
Engelhard.	Ratliff.
Few.	Ray.
Haag.	Reed of Dallas.
Hankamer.	Renfro.
Harris.	Rollins.
Hill of Brazoria.	Ross.
Holland.	Russell.
Hoskins.	Scott.
Hyder.	Shannon.
Jefferson.	Steward.
Johnson	Thomas.
of Anderson.	Townsend.
Jones of Runnels.	Van Zandt.
Kyle of Palo Pinto.	Wagstaff.
Laird.	Weinert.

Absent

Anderson	Harrison.
of Bexar.	Hester.
Barron.	Hill of Webb.
Beck.	Holloway.
Butler.	Hughes.
Calvert.	Jones of Atascosa.
Camp.	Latham.
Canon.	Leonard.
Colson.	Mathis.
Dunlap.	McGregor.
Duvall.	Ramsey.
Fuchs.	Rogers
Good.	of Ochiltree.
Graves.	Tarwater.
Greathouse.	Turlington.
Griffith.	

Absent—Excused

Bradley.	Munson.
Johnson of Dimmit.	

Mr. Harman offered the following amendment to the section of the amendment relating to the State Department of Agriculture:

Amend committee amendment to House Bill No. 167, page 8, line 13, after the word "law," by adding be-

fore the word "no" the following: "Chapter 15, Second Called Session of the Forty-first Legislature, known as the General Pest Control Law."

The amendment was adopted.

Mr. Harman offered the following amendment to this section of the amendment:

Amend committee amendment to House Bill No. 167, pages 9 and 10, by striking out all of lines 35, 36, 37, 38, 39, and 40, on page 9, and all of lines 1 and 2, on page 10, and insert in lieu thereof the following:

"Provided, that all fees and/or unexpended balances which have been received and which may be received by virtue of Articles 58, 66, 88, and 117, of the Revised Civil Statutes, 1925, and any amendments thereto, and also by virtue of Chapter 88, Acts of the First Called Session of the Fortieth Legislature, Chapter 93, Acts of the First Called Session of the Forty-first Legislature, Chapter 304, Acts of the Regular Session of the Forty-first Legislature, as amended by House Bill No. 375, Regular Session of the Forty-second Legislature, Chapter 288, Acts of the Regular Session of the Forty-first Legislature, as amended by House Bill No. 500, Regular Session of the Forty-second Legislature, and Chapter 176, Regular Session of the Forty-second Legislature, and any amendments to any of said Acts, together with any other fees collected by the Department of Agriculture under"

The amendment was adopted.

Mr. Huddleston offered the following amendment to this section of the committee amendment:

Amend committee amendment to House Bill No. 167, page 7, by striking out lines 25 to 40, inclusive; strike out also lines 1, 2, 3, and 4, page 8.

On motion of Mr. Engelhard, the amendment was tabled.

Mr. Leonard offered the following amendment to this section of the committee amendment:

Amend committee amendment to House Bill No. 167, page 8, line 7, by striking out of each column for the years ending August 31, 1934, and August 31, 1935, the figures "\$1,500, \$1,500," and inserting in lieu thereof the figures "\$2,400, \$2,400."

On motion of Mr. Lemens, the amendment was tabled.

Mr. Palmer offered the following amendment to this section of the committee amendment:

Amend committee amendment to House Bill No. 167, page 7, line 39, by striking out the figures "\$2,000, each year," and substituting in lieu thereof "\$2,500, each year."

Mr. Rogers of Hunt offered the following substitute for the amendment by Mr. Palmer:

Substitute "\$1,500," instead of "\$2,000."

Question recurring on the substitute amendment, yeas and nays were demanded.

The amendment was lost by the following vote:

Yeas—34

Aikin.	Huddleston.
Alsup.	James.
Baker.	Jones of Shelby.
Barrett.	Morrison.
Beck.	Parkhouse.
Bourne.	Puryear.
Canon.	Reed of Bowie.
Coombes.	Reed of Dallas.
Cowley.	Rogers of Hunt.
Davidson.	Rollins.
Dunagan.	Russell.
Fain.	Savage.
Fisher.	Scott.
Good.	Stinson.
Haag.	Tennyson.
Hartzog.	Vaughan.
Hicks.	Walker.

Nays—78

Adamson.	Griffith.
Alexander.	Hankamer.
Anderson	Harris.
of Johnson.	Head.
Bedford.	Hill of Brazoria.
Burns.	Hill of Webb.
Calvert.	Hodges.
Cathey.	Holekamp.
Caven.	Holland.
Chastain.	Hoskins.
Clayton.	Hughes.
Crossley.	Hyder.
Daniel.	Jackson.
Dean.	Jefferson.
Dwyer.	Jones of Runnels.
Engelhard.	Kayton.
Ford.	Kyle of Hays.
Fuchs.	Kyle of Palo Pinto.
Glass.	Leonard.
Golson.	Lindsey.
Goodman.	Long.

Lotief.	Rogers
Magee.	of Ochiltree.
Mackay.	Ross.
McCullough.	Scarborough.
McDougald.	Shults.
Merritt.	Smith.
Metcalfe.	Stanfield.
Mitcham.	Steward.
Moffett.	Stovall.
Moore.	Sullivant.
Morse.	Tillery.
Nicholson.	Townsend.
Palmer.	Turlington.
Pope.	Van Zandt.
Ratliff.	Wagstaff.
Ray.	Wells.
Reader.	Winningham.
Renfro.	Wood.
Roberts.	Young.

Absent

Anderson	Jones of Atascosa.
of Bexar.	Laird.
Barron.	Latham.
Butler.	Lemens.
Camp.	Mathis.
Colson.	McClain.
Devall.	McGregor.
Dunlap.	McKee.
Duvall.	Patterson.
Few.	Pavlica.
Graves.	Ramsey.
Greathouse.	Riddle.
Harman.	Shannon.
Harrison.	Tarwater.
Hester.	Thomas.
Holloway.	Weinert.
Hunt.	West.
Johnson	
of Anderson.	

Absent—Excused

Bradley.	Munson.
Johnson of Dimmit.	

Question then recurring on the amendment by Mr. Palmer, it was lost.

Mr. Lotief offered the following amendment to this section of the committee amendment:

Amend committee amendment to House Bill No. 167, page 9, line 31, by striking out the figures "\$25,000," and insert in lieu thereof "\$15,000."

Mr. Moore moved to table the amendment.

Yeas and nays were demanded, and the motion to table prevailed by the following vote:

Yeas—74

Adamson.	Aikin.
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Alexander.	Johnson
Anderson	of Anderson.
of Johnson.	Jones of Runnels.
Barrett.	Kayton.
Bedford.	Kyle of Hays.
Burns.	Kyle of Palo Pinto.
Calvert.	Leonard.
Canon.	Lindsey.
Cathey.	Magee.
Caven.	Mackay.
Chastain.	McDougald.
Clayton.	McKee.
Crossley.	Merritt.
Daniel.	Metcalfe.
Davidson.	Mitcham.
Dean.	Moffett.
Devall.	Moore.
Dunlap.	Morrison.
Dwyer.	Morse.
Engelhard.	Nicholson.
Fisher.	Ratliff.
Ford.	Ray.
Fuchs.	Reader.
Golson.	Renfro.
Goodman.	Riddle.
Griffith.	Rogers
Hankamer.	of Ochiltree.
Harris.	Ross.
Head.	Stanfield.
Hill of Brazoria.	Steward.
Hill of Webb.	Stovall.
Hodges.	Sullivant.
Holekamp.	Tillery.
Holland.	Townsend.
Hoskins.	Van Zandt.
Hughes.	Winningham.
Hyder.	Wood.
Jefferson.	

Nays—39

Alsup.	Puryear.
Baker.	Reed of Bowie.
Beck.	Reed of Dallas.
Bourne.	Rogers of Hunt.
Coombes.	Rollins.
Cowley.	Russell.
Dunagan.	Savage.
Fain.	Scarborough.
Glass.	Scott.
Good.	Shults.
Haag.	Smith.
Hartzog.	Stinson.
Hicks.	Tennyson.
Huddleston.	Thomas.
Jackson.	Turlington.
James.	Vaughan.
Jones of Shelby.	Wagstaff.
Lotief.	Walker.
Parkhouse.	Young.
Pavlica.	

Absent

Anderson	Colson.
of Bexar.	Duvall.
Barron.	Few.
Butler.	Graves.
Camp.	Greathouse.

Harman.	McCullough.
Harrison.	McGregor.
Hester.	Palmer.
Holloway.	Patterson.
Hunt.	Pope.
Jones of Atascosa.	Ramsey.
Laird.	Roberts.
Latham.	Shannon.
Lemens.	Tarwater.
Long.	Weinert.
Mathis.	Wells.
McClain.	West.

Absent—Excused

Bradley.	Munson.
Johnson of Dimmit.	

Mr. Lotief offered the following amendment to this section of the committee amendment:

Amend committee amendment to House Bill No. 167, page 9, lines 29 and 30, by striking out the figures "\$2,000."

On motion of Mr. Barrett, the amendment was tabled.

Mr. Parkhouse offered the following amendment to this section of the committee amendment:

Amend committee amendment to House Bill No. 167, page 7, lines 20, 21, 22, 23, by striking out "\$100 per month," and inserting in lieu thereof "\$90," and striking out "\$110," and insert "\$100," and striking out of the final columns the figures "\$7,200," and insert "\$6,480," in each column.

ROGERS of Hunt,
PARKHOUSE.

Mr. Morse moved to table the amendment.

Yeas and nays were demanded, and the motion to table prevailed by the following vote:

Yeas—73

Adamson.	Dean.
Alexander.	Dunlap.
Anderson	Dwyer.
of Johnson.	Engelhard.
Barrett.	Ford.
Bedford.	Fuchs.
Burns.	Golson.
Calvert.	Goodman.
Camp.	Griffith.
Cathey.	Haag.
Caven.	Hankamer.
Chastain.	Harman.
Crossley.	Harris.
Daniel.	Hill of Brazoria.
Davidson.	Hill of Webb.

Hodges.	Reader.
Holekamp.	Reed of Dallas.
Hoskins.	Renfro.
Hughes.	Riddle.
Hyder.	Rogers
Jackson.	of Ochiltree.
Jefferson.	Rollins.
Jones of Runnels.	Ross.
Kayton.	Scarborough.
Kyle of Hays.	Shults.
Kyle of Palo Pinto.	Smith.
Leonard.	Steward.
Lindsey.	Stovall.
Long.	Tennyson.
Magee.	Thomas.
Mackay.	Tillery.
McKee.	Townsend.
Merritt.	Turlington.
Moore.	Van Zandt.
Morse.	Wagstaff.
Nicholson.	Winningham.
Ratliff.	Young.
Ray.	

Nays—41

Aikin.	Lemens.
Alsup.	Lotief.
Baker.	McDougald.
Beck.	Mitcham.
Bourne.	Moffett.
Canon.	Morrison.
Coombes.	Parkhouse.
Cowley.	Pavlica.
Devall.	Pope.
Dunagan.	Puryear.
Fain.	Reed of Bowie.
Fisher.	Roberts.
Glass.	Rogers of Hunt.
Good.	Russell.
Head.	Savage.
Hicks.	Scott.
Huddleston.	Stanfield.
James.	Stinson.
Johnson	Vaughan.
of Anderson.	Walker.
Jones of Shelby.	Wood.

Absent

Anderson	Laird.
of Bexar.	Latham.
Barron.	Mathis.
Butler.	McClain.
Clayton.	McCullough.
Colson.	McGregor.
Duvall.	Metcalfe.
Few.	Palmer.
Graves.	Patterson.
Greathouse.	Ramsey.
Harrison.	Shannon.
Hartzog.	Sullivant.
Hester.	Tarwater.
Holland.	Weinert.
Holloway.	Wells.
Hunt.	West.
Jones of Atascosa.	

Absent—Excused

Bradley.	Munson.
Johnson of Dimmit.	

Mr. Kayton offered the following amendment to this section of the committee amendment:

Amend committee amendment to House Bill No. 167, page 8, lines 23 to 26, inclusive, to read as follows:

"Salaries in Texas-Federal inspection, none to exceed \$26 per week, to be paid only out of fees collected."

The amendment was adopted.

Mr. Kayton offered the following amendment to this section of the committee amendment:

Amend committee amendment to House Bill No. 167, page 8, lines 35 to 38, inclusive, to read as follows:

"Agricultural, field seed inspectors, no salary to exceed \$26 per week, to be paid only out of fees."

The amendment was adopted.

Mr. Kayton offered the following amendment to this section of the committee amendment:

Amend committee amendment to House Bill No. 167, page 8, by inserting between lines 18 and 19 the following:

"Market News Specialist, \$1,380, each year."

The amendment was adopted.

Mr. Wagstaff offered the following amendment to this section of the committee amendment:

Amend committee amendment to House Bill No. 167 by striking out, in line 14, page 8, the figures "\$12,000," and substitute in lieu thereof the figures "\$9,000," and add in line 14 the words "to be expended in Brewster and Presidio Counties only."

Question—Shall the amendment by Mr. Wagstaff be adopted?

CONFERENCE COMMITTEE REPORT ON SENATE BILL NO. 421

Mr. Anderson of Bexar submitted the following conference committee report on Senate Bill No. 421:

Committee Room,
Austin, Texas, March 21, 1933.

Hon. Edgar E. Witt, President of the Senate; Hon. Coke Stevenson, Speaker of the House of Representatives.

Sirs: We, your conferees, appointed to adjust the differences between the

Senate and the House of Representatives on

S. B. No. 421, A bill to be entitled "An Act authorizing the Board of Insurance Commissioners of Texas, with approval of the Governor, to promulgate rules, regulations, and orders to regulate and stabilize payment of insurance premiums to life insurance companies and fraternal benefit societies, and payment of policy reserve loans and withdrawals of cash reserves by policyholders; requiring life insurance companies and fraternal benefit societies to make full payment of death, sick, and accident claims, and such other claims, including final judgments, for which life insurance companies and fraternal benefit societies may be liable; providing for cancellation of permit of any life insurance company or fraternal benefit society violating provisions of this Act, or rules, regulations, and orders of the Board of Insurance Commissioners; providing no privileges shall be granted life insurance companies or fraternal benefit societies when same privileges are not granted to policyholders; providing Board of Insurance Commissioners shall have authority to prevent cancellation of policies by extending time for payment of premiums; providing for salary limits and withholding payment of dividends during the operation of this Act; and limiting operation of this Act to December 31, 1933; providing that if any section, provision, sentence, clause, or phrase of this Act is declared unconstitutional it shall not invalidate the remainder of this Act, and declaring an emergency."

Beg to say that the differences have been adjusted, and we recommend the adoption of the new bill herewith submitted:

"S. B. No. 421,

A BILL

To Be Entitled

An Act authorizing the Board of Insurance Commissioners of Texas, with approval of the Governor, to promulgate rules, regulations, and orders to regulate and stabilize payment of insurance premiums to life insurance companies and fraternal benefit societies, and payment of policy reserve loans and withdrawals of cash reserves by policy-

holders; requiring life insurance companies and fraternal benefit societies to make full payment of death, sick, and accident claims, and such other claims, including final judgments, for which life insurance companies and fraternal benefit societies may be liable; providing for cancellation of permit of any life insurance company or fraternal benefit society violating provisions of this Act or rules, regulations, and orders of the Board of Insurance Commissioners; providing no privileges shall be granted life insurance companies or fraternal benefit societies when same privileges are not granted to policyholders; providing Board of Insurance Commissioners shall have authority to prevent cancellation of policies by extending time for payment of premiums; providing for salary limits and withholding payment of dividends during the operation of this Act; limiting operation of this Act to December 31, 1933; providing that if any section, provision, sentence, clause, or phrase of this Act is declared unconstitutional, it shall not invalidate the remainder of the Act, and declaring an emergency."

Be it enacted by the Legislature of the State of Texas:

Section 1. The Board of Insurance Commissioners of the State of Texas with the approval of the Governor of the State, from and after the passage of this Act, are specifically authorized and empowered to promulgate such rules, regulations, and orders as they may deem necessary to regulate and stabilize the payment of premiums to life insurance companies, and fraternal benefit societies, and the payment of policy reserve loans, and withdrawals of cash surrender values, due and payable to policyholders. To protect the interest of policyholders, such Board, during the emergency covered by this Act, shall have authority to prevent the cancellation of policies, and extend the time for the payment of premiums due thereon for such period of time and upon such conditions as, to the Board, may seem just and proper. Provided, however, that said Board of Insurance Commissioners shall not have power to limit the payment of death, sick, and accident claims, and such other

claims, including final judgments, for which such life insurance companies and fraternal benefit societies may be liable. And providing further, that the Board of Insurance Commissioners, with the approval of the Governor of Texas, shall have power and authority to cancel the permit to do business in this State of any life insurance company and fraternal benefit society violating or refusing to comply with any rule, regulation, or order promulgated in pursuance of the authority granted under this Act. It is further provided, however, that no limit of liability or extension of time shall be granted as to obligations due by life insurance companies or fraternal benefit societies to policyholders, until and unless a like limit be at the same time extended to policyholders as to all policy obligations due to life insurance companies and fraternal benefit societies on all policies to which such extension or limitation of liability with respect to loan or cash values apply. The provisions of this Act shall be applicable to all life insurance companies and fraternal benefit societies doing business in the State of Texas. The Board of Insurance Commissioners of Texas shall have power to regulate the salaries and number of employes, and officers, and other expenses of such life insurance companies and fraternal benefit societies; but no salary shall ever be paid during the operation of this Act, either directly or indirectly, to any officer or employe in excess of one thousand dollars (\$1,000) per month, and no dividends shall be paid, directly or indirectly, to the stockholders or policyholders of such insurance companies or fraternal benefit societies during the time this Act is in effect.

Sec. 2. If any section, provision, sentence, clause, or phrase of this Act shall be declared unconstitutional or invalid for any reason, it shall not affect any other provision or portion of this Act, and the same shall remain in full force and effect; provided that this Act shall expire and be of no force and effect from and after the thirty-first day of December, 1933.

Sec. 3. The fact that the Board of Insurance Commissioners is not now expressly authorized to exercise authority and prescribe rules and

regulations in conformity with sound business policies regarding life insurance companies and fraternal benefit societies doing business in this State creates an emergency and an imperative public necessity that the constitutional rule, requiring bills to be read on three several days, be suspended, and this Act take effect and be in force from and after its passage, and it is so enacted.

Respectfully submitted,

MOORE,
WOODWARD,
PURL,
HOPKINS,
WOODRUFF,

On the part of the Senate;

ANDERSON of Bexar,
GREATHOUSE,
SAVAGE,
POPE,
SULLIVANT,

On the part of the House.

Mr. Sullivan moved the previous question on the adoption of the report, and the main question was ordered.

Mr. Daniel moved to reconsider the vote by which the previous question was ordered.

The motion to reconsider prevailed.

Question then recurring on the motion for the main question, it was lost by the following vote:

Yeas—49

Alexander.	Long.
Bourne.	McKee.
Burns.	Mitcham.
Calvert.	Moffett.
Caven.	Nicholson.
Chastain.	Pope.
Clayton.	Puryear.
Cowley.	Reader.
Davidson.	Reed of Bowie.
Dwyer.	Renfro.
Fisher.	Savage.
Ford.	Shannon.
Glass.	Shults.
Hankamer.	Stanfield.
Head.	Tennyson.
Hill of Webb.	Tillery.
Hoskins.	Townsend.
Jackson.	Turlington.
James.	Van Zandt.
Johnson	Wagstaff.
of Anderson.	Walker.
Jones of Runnels.	Weinert.
Kyle of Hays.	Wells.
Leonard.	Wood.
Lindsey.	

Nays—69

Adamson.	Jones of Shelby.
Aikin.	Kyle of Palo Pinto.
Alsup.	Latham.
Anderson	Lotief.
of Johnson.	Magee.
Beck.	Mackay.
Bedford.	McCullough.
Canon.	McDougald.
Cathey.	Merritt.
Colson.	Metcalfe.
Coombes.	Moore.
Crossley.	Morrison.
Daniel.	Morse.
Dean.	Palmer.
Dunagan.	Parkhouse.
Engelhard.	Patterson.
Fain.	Pavlica.
Fuchs.	Ratliff.
Golson.	Ray.
Goodman.	Reed of Dallas.
Greathouse.	Riddle.
Haag.	Roberts.
Harris.	Rogers of Hunt.
Hartzog.	Rogers
Hester.	of Ochiltree.
Hicks.	Rollins.
Hodges.	Ross.
Holekamp.	Russell.
Holland.	Scarborough.
Holloway.	Scott.
Huddleston.	Steward.
Hughes.	Thomas.
Hunt.	Vaughan.
Hyder.	Winningham.
Jefferson.	

Present—Not Voting

Devall.

Absent

Anderson	Jones of Atascosa.
of Bexar.	Kayton.
Baker.	Laird.
Barrett.	Lemens.
Barron.	Mathis.
Butler.	McClain.
Camp.	McGregor.
Dunlap.	Ramsey.
Duvall.	Smith.
Few.	Stinson.
Good.	Stovall.
Graves.	Sullivant.
Griffith.	Tarwater.
Harman.	West.
Harrison.	Young.
Hill of Brazoria.	

Absent—Excused

Bradley. Munson.
Johnson of Dimmit.

Mr. Cathey moved that further consideration of the report be postponed until 10 o'clock a. m., next Friday.

The motion prevailed.

MESSAGE FROM THE SENATE

Senate Chamber,
Austin, Texas, March 21, 1933.

Hon. Coke Stevenson, Speaker of the
House of Representatives.

Sir: I am directed by the Senate to inform the House that the Senate has passed

S. B. No. 251, A bill to be entitled "An Act making appropriations to pay past due rent on armories from March 1, 1932, to August 31, 1932, under lease to the National Guard of the State of Texas, and authorizing payment of said rent on taking effect of this Act, and declaring an emergency."

S. B. No. 428, A bill to be entitled "An Act authorizing the board of trustees of independent school districts having a scholastic population of not less than 1,800, and not more than 1,900, according to the last State scholastic census, to borrow money from the Reconstruction Finance Corporation, or from other sources, for the purpose of installing canning factories and manual training departments; providing for charging of fees for the use of such equipment to make same self-liquidating, and providing for the issuance of securities based on such fees which may be supplemented by the local maintenance tax of such districts as a basis of credit for the purchase of such equipment as is named above, and declaring an emergency."

Respectfully,

BOB BARKER,
Secretary of the Senate.

SENATE BILLS ON FIRST
READING

The following Senate bills, received from the Senate today, were laid before the House, read severally first time, and referred to the appropriate committees, as follows:

Senate Bill No. 428, to the Committee on Education.

Senate Bill No. 251, to the Committee on Appropriations.

ADJOURNMENT

On motion of Mr. Morse, the House, at 5:25 o'clock p. m., adjourned until 9:30 o'clock a. m., tomorrow.

APPENDIX

STANDING COMMITTEE REPORTS

The following committees have filed favorable reports on bills, as follows:

Public Lands and Buildings: House Bills Nos. 560, 779, 791, and 811.

The Committee on Highways and Motor Traffic filed an adverse report on House Bill No. 746.

FORTY-SECOND DAY

(Wednesday, March 22, 1933)

The House met at 9:30 o'clock a. m., pursuant to adjournment, and was called to order by Speaker Stevenson.

The roll was called, and the following Members were present:

Mr. Speaker.	Fuchs.
Adamson.	Glass.
Aikin.	Golson.
Alexander.	Good.
Anderson	Goodman.
of Bexar.	Graves.
Anderson	Greathouse.
of Johnson.	Griffith.
Baker.	Haag.
Barrett.	Hankamer.
Barron.	Harman.
Beck.	Harris.
Bedford.	Harrison.
Bourne.	Hartzog.
Burns.	Head.
Butler.	Hester.
Calvert.	Hicks.
Camp.	Hill of Brazoria.
Canon.	Hill of Webb.
Cathey.	Hodges.
Caven.	Holekamp.
Chastain.	Holland.
Clayton.	Holloway.
Colson.	Hoskins.
Coombes.	Huddleston.
Cowley.	Hughes.
Crossley.	Hunt.
Daniel.	Hyder.
Davidson.	Jackson.
Dean.	James.
Devall.	Jefferson.
Dunlap.	Johnson
Dunagan.	of Anderson.
Duvall.	Jones of Atascosa.
Dwyer.	Jones of Runnels.
Engelhard.	Jones of Shelby.
Fain.	Kayton.
Few.	Kyle of Hays.
Fisher.	Kyle of Palo Pinto.
Ford.	Laird.

Latham.	Riddle.
Lemens.	Roberts.
Leonard.	Rogers of Hunt.
Lindsey.	Rogers
Long.	of Ochiltree.
Lotief.	Rollins.
Magee.	Ross.
Mackay.	Russell.
Mathis.	Savage.
McClain.	Scarborough.
McCullough.	Scott.
McDougald.	Shannon.
McGregor.	Shults.
McKee.	Smith.
Merritt.	Stanfield.
Metcalfe.	Steward.
Mitcham.	Stinson.
Moffett.	Stovall.
Moore.	Sullivan.
Morrison.	Tarwater.
Morse.	Tennyson.
Nicholson.	Thomas.
Palmer.	Tillery.
Parkhouse.	Townsend.
Patterson.	Turlington.
Pavlica.	Van Zandt.
Pope.	Vaughan.
Puryear.	Wagstaff.
Ramsey.	Walker.
Ratliff.	Weinert.
Ray.	Wells.
Reader.	West.
Reed of Bowie.	Winningham.
Reed of Dallas.	Wood.
Renfro.	Young.

Absent—Excused

Alsup.	Johnson
Bradley.	of Dimmit.
	Munson.

A quorum was announced present.

Prayer was offered by Rev. Geo. W. Coltrin, Chaplain.

LEAVES OF ABSENCE GRANTED

The following Members were granted leaves of absence on account of important business:

Mr. Munson for today, on motion of Mr. Fain.

Mr. Alsup was granted leave of absence for today on account of illness in his family, on motion of Mr. Fisher.

HOUSE BILL ON FIRST READING

The following House bill, introduced today, was laid before the House, read first time, and referred to the appropriate committee, as follows: